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## Cuts in Welfare Benefits Feed Swedes' Discontent

### Anxiety Spreads as Social Democrats Propose Even Bigger Trims in System

By Richard W. Stevenson  
New York Times Service

STOCKHOLM — In the last six decades, Sweden built one of the world's most generous and successful social welfare systems, providing its citizens with a lifelong array of benefits that helped them maintain a high standard of living through good times and bad.

But now, unable to afford the bill, the country is being forced to pare social welfare spending.

Although the cuts have so far hardly been draconian, there is widespread anxiety that the system, long seen as the model for combining socialist welfare policies with vibrant capitalism, could collapse under its own economic weight.

The strains are already beginning to show. Despite Sweden's commitment to providing child care, officials in some areas have had to reduce spending on subsidized day-care centers.

In the last few years, reductions have been made in unemployment insurance and in payments to workers injured on the job. Among the proposals likely to be enacted in coming months is a \$17 reduction in the \$100 monthly payment provided to every family for each child regardless of need.

It is particularly unsettling to many Swedes that the most recently proposed cuts, the deepest so far, are being carried

out under the party that built the system, the leftist Social Democrats.

The party, the dominant political force since the 1930s, regained power in elections last fall after three years in opposition, in part because voters felt that the conservative government had gone too far in dismantling Sweden's liberal system.

"We are just nine million people, and we should be able to take care of each other," said Amelie Drevstam, an assistant at a Stockholm photo agency. "It's a new problem for Sweden that we have people living on the streets, and if I have to pay more in taxes or get less child allowance to help, I'm willing to do it."

Yet, Sweden already imposes one of the world's heaviest tax burdens to pay for its social largess, with total government receipts in 1993 amounting to 58.3 percent of gross domestic product, compared with 31.1 percent in the United States.

The Swedish system provides, among other benefits, a guarantee of close to a full income in cases of sickness and unemployment. It covers medical care and subsidizes educational costs, sets minimum retirement income and provides paid leaves of absence for new parents.

But faced with one of the developed world's worst budget deficits and plagued by a stubbornly high unemployment rate

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## Dutch Rivers Start to Ebb, But Dikes Remain in Peril

By William Drostiak  
Washington Post Service

AMSTERDAM — Rivers that have inundated vast tracts of the Netherlands in Europe's heaviest floods this century started to recede on Thursday, raising hopes that more than a quarter-million people who fled their homes may soon be able to return.

Hundreds of soldiers and volunteers worked through the night to shore up dikes, but the authorities warned that the situation remained critical because the reinforced earthen dams could still give way under the pressure of swollen rivers rushing toward the North Sea.

Near the town of Ochten, about 20 kilometers (12 miles) west of Nijmegen, where water began seeping through the saturated barriers and caused panic Wednesday, engineers worked feverishly to repair broken sections of dikes along the river Waal.

More than a thousand trucks dumped tons of sand during the night in an effort to protect low-lying villages and farms, which risk being submerged under six meters (20 feet) of water if the dams collapse.

"The water levels appear to be stabilizing, but that doesn't mean there is no danger," said Ger Bodewitz, a spokesman for the Dutch Interior Ministry. "It's difficult to make any predictions because the dikes are soaked and it's still possible they will break."

The bright sunshine that bathed West-

ern Europe on Thursday after days of pelting rain sparked optimism that the worst of the flooding was over.

In France, Belgium and Germany, water levels were dropping rapidly with the arrival of dry weather, and riverside residents began the mammoth task of cleaning up the silt and debris.

In the southern Dutch province of Limburg, where the flooding has subsided, 15,000 people in the first wave of evacuees were allowed back to the area. But the inhabitants were warned not to allow children to play near the mud because much of it was found to be contaminated by heavy metals from the polluted rivers.

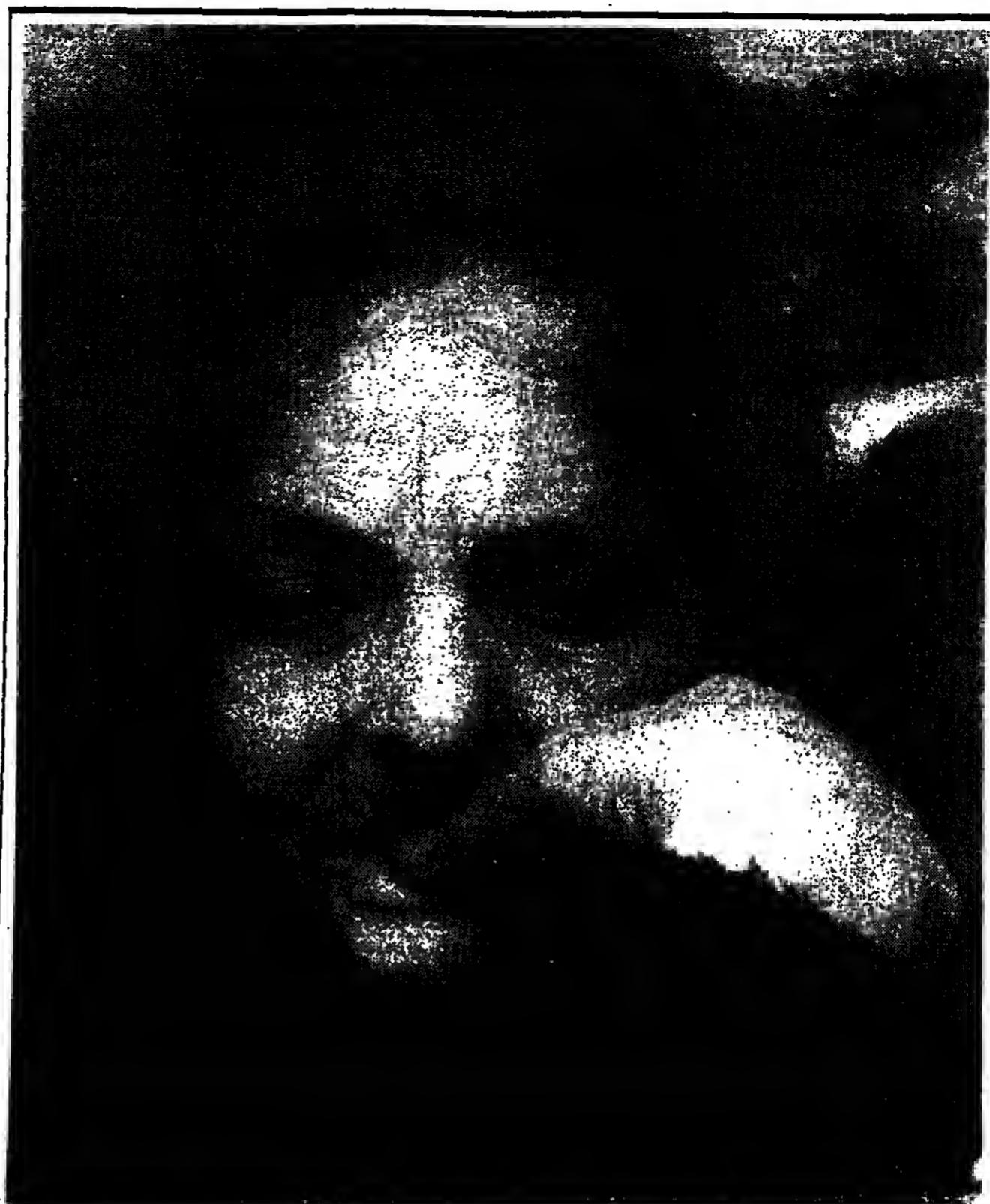
To guard against looting, the police patrolled communities that were transformed into ghost towns by the country's largest peacetime evacuation in history.

As the waters receded, a debate was raging over who should bear responsibility for neglect of the inland dikes.

After a devastating storm surge in 1953 overwhelmed sea dikes and caused the deaths of more than 1,800 people, the Dutch government invested in an elaborately engineered barrier to protect the southern coastal provinces.

The multibillion dollar scheme, known as the Delta project, succeeded in buttressing the coast from fierce North Sea storms that have posed a constant threat to a

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A FACE OF WAR — A Chechen woman with a pensive look fleeing her battered village Thursday. The new leader of the Russian campaign against the rebel republic says he now expects the Chechens to fight a guerrilla war. Page 2.

## U.S. Focuses on New Hot Spots in Balkans

By Daniel Williams  
Washington Post Service

WASHINGTON — As international efforts to start peace talks in Bosnia have faltered, the Clinton administration is turning its attention to two other troubled diplomatic fronts out of concern that the war may widen soon.

Administration officials fear a domino effect from the Serbian refusal to discuss with the Muslim-led Bosnian government a partition plan that splits the country roughly in half. Tensions are rising between the Muslims and their Croatian allies in Bosnia, an alliance of former ene-

mies created at American behest last year to isolate the Bosnian Serbs.

Also, Croatia is threatening to expel United Nations peacekeepers who stand between its arms and an enclave of breakaway Croatian Serbs. Expulsion would probably mean war between Croatia and Serbia.

A collapse of either the Croatian-Muslim arrangement in Bosnia or of UN peacekeeping in Croatia would spell disaster for Washington's policy of trying to limit Balkan warfare to Bosnia in hope of snuffing it out through negotiations.

"The situation is very close to the kind of disintegration that could set off a very

dangerous chain reaction," said Richard C. Holbrooke, assistant secretary of state for European and Canadian affairs.

Mr. Holbrooke and Defense Secretary William J. Perry will meet Sunday with Croatian and Muslim leaders in Munich, while attending a European security conference.

The administration has chosen to tend to these potential conflicts in part because, having given up on use of force, it has little leverage on the Bosnian Serbs. For the moment, there seems to be no prospect of a breakthrough in the talks.

"There is no solution at this point," Mr.

See BALKANS, Page 8

## Summit Puts Peace Process 'On Track' in Middle East

### Israel and Arab Leaders Agree to Revive Talks on Palestinian Autonomy

Compiled by Our Staff From Dispatches

CAIRO — Egypt said Thursday that the Middle East peace process was "back on track" after participants at an unprecedented Arab-Israeli summit meeting agreed to resume Palestinian autonomy talks and to hold a follow-up meeting in Washington.

Prime Minister Yitzhak Rabin of Israel and the Palestine Liberation Organization leader, Yasser Arafat, are to meet next Thursday, after autonomy negotiations resume on Monday in Cairo, Foreign Minister Anwar Moussa of Egypt announced.

"I believe that the talks, especially the Israeli-Palestinian process, is back on track," he said, after the summit meeting of Mr. Arafat, Mr. Rabin, President Hosni Mubarak of Egypt and King Hussein of Jordan.

Mr. Arafat and Mr. Rabin will meet again at the Erez crossing point between the Gaza Strip and Israel. Mr. Moussa said at the end of the four-way summit meeting aimed at rescuing the Middle East peace process.

Negotiations had been stalled since Muslim suicide bombers killed 21 Israelis in an attack near the coastal resort town of Netanya on Jan. 22.

Foreign ministers from Israel, Jordan, Egypt and the PLO will also meet in Washington on Feb. 12, Mr. Moussa said.

The Egyptian foreign minister said the summit meeting had failed to persuade Israel to ease the closure of the Palestinian territories or to change its controversial policy on Jewish settlement there.

But he was optimistic nonetheless. "The peace process was frozen with the Palestinians," Mr. Moussa said. "Now it is no more frozen because of all the meetings that are going to be held soon."

The summit meeting was the first to include Israel and the three Arab parties with which it has made peace, and was a dramatic show of unity.

But disillusionment with the Israel-PLO agreement runs deep, and the Arabs' ability to stem murderous attacks by Islamic militants is uncertain at best.

The key players — Mr. Rabin and Mr. Arafat — could find it difficult to carry out necessary concessions because they are already facing internal criticism.

The meeting, at the Ittihadia presidential palace, started after sundown with a meal to break the daylong fast. Muslims observe during the holy month of Ramadan.

The three visiting leaders met with Mr. Mubarak separately before the summit talks, but no one commented on those meetings.

Earlier Thursday in Jerusalem, Mr. Rabin made it clear that an end to attacks on Israelis was the key to expanding autonomy in the West Bank and holding Palestinian elections, both elements of the Israeli-PLO accord signed in September 1993.

Mr. Arafat's government must make

See CAIRO, Page 8

## After the Cheers, Bitter Fallout From the Peso Rescue

### Europeans Protest U.S. Rush at IMF

By Nathaniel C. Nash  
New York Times Service

FRANKFURT — In an unusual protest against what they considered to be heavy-handed U.S. tactics at the International Monetary Fund, five European countries abstained from supporting the Fund's \$17.8 billion loan package for Mexico.

Germany, Britain, Belgium, the Netherlands and Switzerland withheld their votes late Wednesday at the IMF headquarters in Washington, European officials said Thursday. The five complained that they had not been consulted on the \$10 billion increase of credit to Mexico announced by President Bill Clinton late Tuesday as part of an emergency package to bolster confidence in the falling peso.

"We think the package was put together

with too much haste," a German government official said, "and that the member countries did not have enough time to evaluate it." The official asked that his name not be used.

European officials said that despite their upset over being railroaded into approving the package for Mexico, they agreed that the aid was needed and thus did not vote against it.

Officials of the governments said that not only were they caught by surprise when Mr. Clinton announced the increase in IMF aid, from \$7.6 billion previously, but that they also received the documents on the agreement less than an hour before the Wednesday meeting at which they were

See LOANS, Page 8

### Mexicans Fret Over New Pile of Debt

By Tod Robberson  
Washington Post Service

MEXICO CITY — Patricia Bayo tightened her grip on a pair of new shoes at a Mexico City mall as she considered the \$49 billion international package of loans and loan guarantees the Clinton administration had arranged for her country.

"Well," she said with a courteous smile, "I think you should be very happy; you're now the proud owners of Mexico. All I can say is, better you than the Japanese."

Contrary to President Ernesto Zedillo Ponce de Leon's efforts to portray the package as a victory for Mexico, Miss Bayo and other Mexicans interviewed reacted with a mixture of indignation and nervousness at the prospect of more red ink being added to Mexico's balance sheet.

See MEXICO, Page 8



EUROPE'S MERCiless WEATHER — As northern Europe bails out of its worst floods of the century, Spain is contending with drought. On Thursday, José A. Sanchez, a biologist, checked a parched area of Hondo in Alicante.

Newsstand Prices	
Andorra	9.00 FF Luxembourg
Antilles	11.20 FF Morocco
Cameroon	1.40 CFA Qatar
France	5.00 FF Saudi Arabia
Greece	9.00 FF Senegal
Italy	3.50 FF Spain
Ivory Coast	2.00 CFA Turkey
Jordan	1.10 U.S.A.
Lebanon	U.S. \$1.50
	U.S. Mil. (Eur) \$1.10

Dow Jones	Trib Index
Up 23.21	Down 0.15%
3870.77	110.37
The Dollar	Thru. close
New York	previous close
DM	1.5183
Pound	1.5825
Yen	99.425
FF	5.261

## India Keeps Its Grip on a Nizam's Gems

By John F. Burns  
New York Times Service

NEW DELHI — For the nizams of Hyderabad, Muslim rulers of fabulously wealthy ancestry once extended across much of southern India, the armored car that carried four steel trunks away from a Bombay bank vault last month was a punctuation mark to decades of declining fortune.

The trunks, bound for a government strongroom in New Delhi, held a collection of jewels considered by experts to be one of the greatest ever assembled.

Among them was the fabulously diamond-studded Jacob diamond, a duck's-egg-size 162-carat stone bought by Hyderabad's ruling family in 1891. It was used for much of this century as a paperweight by Osman Ali Khan, the seventh and last nizam to rule the royal state.

This was the first journey in more than 40 years for the jewels — diamonds, rubies, emeralds and pearls, many in gold settings, some acquired from the old royal courts of France and Russia.

For more than half that time, they have been the focus of a struggle between the Indian government and the heirs of the seventh nizam, who placed the collection in the Bombay vault after his domain became part of independent India in 1947.

The seventh nizam, who died in 1967, was known for his vast fortune and for his idiosyncratic ways, including a habit of hoarding cash that once led rats to chew their way through \$3 million (\$4.7 million) in bank notes in a palace basement. Wary of his family's profligacy, he tied up his fortune in a web of trusts. One of those held the jewelry collection, under terms that forbade its sale until after the death of his oldest son, Azam Jah Bahadur.

When that son died, in 1970, a battle opened with the Indian government that would continue for 24 years. Finally, it was settled by the Supreme Court last month.

In a compromise between the heirs, who hoped to sell the jewels abroad, and the government, which contended that the jewels should become state property with no compensation, the court allowed the government to buy the treasure.

Setting aside a valuation of \$250 million to \$300 million by Sotheby's and Christie's, the international auction houses, the court set a price equivalent to \$71 million.

For 200 of the heirs, including the present nizam, Mukkaram

See BAUBLES, Page 8

## Kiosk

### Russian Legislator Abducted and Slain

MOSCOW (AP) — The police found the body of a Parliament member, Sergei Skorochkin, on Thursday who had been kidnapped from a bar outside Moscow by gunmen posing as police officers, the Itar-Tass press agency said

## Fratricidal French Socialists Set to Pick a Candidate

By Joseph Fitchett  
*International Herald Tribune*

**PARIS** — Nothing seems to faze Henri Emmanuelli — including his pending trial in connection with illegal party financing — as he bids for the presidential nomination of France's distraught and fratricidal Socialist Party.

A combative personality with a sharp verbal jab, Mr. Emmanuelli, 49, seems unshaken by the political roller coaster that has laid his party low. It is the end of the ride after 14 years under President François Mitterrand, the only Socialist president under the Fifth Republic.

The Socialists — facing a massive shift to the right — seem headed for such a serious defeat that the party could disintegrate as a national force. As often in the past, after an interlude in power, the French left might spend decades in the desert before finding a new standard-bearer.

The presidential campaign, instead of closing Socialist ranks, has triggered self-destructive competition among second-rank figures for control of the remains of the party.

If Mr. Emmanuelli wins the nomination — as seems likely at a party conclave in Paris on Friday — it will be mainly because as first secretary he runs what is left of the party machine.

The Socialist disarray surfaced in full force last month with the withdrawal of Jacques Delors, whose stature after 10 years as head of the European Commission had promised a decent showing.

No other candidate can offer more than mere electoral survival for the party — and perhaps not even that. The latest polls show the Socialists not even surviving the first round, at the end of April, leaving the run-off to be fought between two conservatives.

That humiliation could fragment the party — precisely the situation that enabled Mr. Mitterrand to become the savior of French socialism in 1971, when he welded its several currents into a single movement that eventually carried him to the presidency.

The pervasive authority enjoyed by a French president helps explain the straits in which the Socialist Party finds itself. The absence of well-known personalities reflects Mr. Mitterrand's record of systematically destroying the careers of potential successors.

Without attacking Mr. Mitterrand by name, Mr. Delors, in declining to be the candidate, dismissed the party as a discredited force.

Michel Rocard, former prime minister who had seemed destined for the candidacy, was accused Mr. Mitterrand of shouting him down by anointing a rival, the business tycoon and populist, Bernard Tapie — now effectively barred from politics by financial difficulties, including personal bankruptcy.

The man who seemed set to take over the party at this juncture — Laurent Fabius, 48, considered a brilliant intellect and smooth operator — has been kept out of the race by the scandal of AIDS-contaminated blood products dispensed by state-run transfusion services while he was prime minister.

To fill the vacuum, Lionel Jospin, 57, a former education minister and party leader, declared his candidacy, arguing that the party needed a fresh start. Although better known nationally, he lacks his rival's political skills.

Widely viewed as a stand-in to prevent any challenge to Mr. Fabius's future party control, Mr. Emmanuelli is an unconditional supporter of Mr. Mitterrand. Still infused with the militancy of his Communist parents, Mr. Emmanuelli rose through ranks to party treasurer — where he was accused of taking illegal contributions for the party.

Mr. Emmanuelli, who has never been suspected of personal enrichment, dismisses the charge as political. But he stood a chance of becoming the candidate until Mr. Mitterrand intervened last week to veto a presidential bid by Jack Lang, the former culture minister.

Mr. Mitterrand apparently decided that a Lang candidacy might loosen Mr. Jospin and his allies, including Mr. Rocard.

## Bosnian Sides Reject Paris Plan for Talks Mediators Also Have Doubts

*Agence France-Presse*

**SARAJEVO**, Bosnia-Herzegovina — The Bosnian government, Serbia and key international negotiators lined up Thursday in rejecting French calls for an emergency summit meeting to galvanize the Bosnia peace process.

While Bosnian officials in Sarajevo denounced the move, proposed Tuesday by Foreign Minister Alain Juppé, as an attempt by the international community to backtrack on commitments, President Slobodan Milošević of Serbia described it as a waste of time.

The timing of the proposal was also criticized by the European Union negotiator, David Owen, and it has drawn a lukewarm response from Washington.

Mr. Juppé called for a new international conference to try to revive stalled negotiations between the Muslim-led government in Sarajevo and the Bosnian Serbs before the fragile cease-fire, in operation since Jan. 1, expires on April 30.

In Paris on Thursday, the Foreign Ministry spokeswoman, Catherine Colonna, quoted Mr. Juppé as saying the plan had met with "fairly broad agreement" from partner countries, adding that such a meeting would require "very careful preparation" by the five-nation "contact group" on Bosnia.

The contact group, comprising Britain, France, Germany, Russia and the United States, has temporarily shelved efforts to revive the bilateral Bosnia

talks in the face of Serbian rejection of its proposals to partition the former Yugoslavia.

But in Sarajevo, the Bosnian foreign minister, Irfan Ljubajic, told Agence France-Presse that Mr. Juppé's proposed conference would "dilute all the results of the contact group so far." He said, "We would not welcome such a thing."

In Belgrade, meanwhile, Mr. Milošević said in a statement that he was opposed to the idea of a new peace conference and was pressing Bosnian Serbs to pursue negotiations with the international mediators.

Lord Owen also pouted cold water on the suggestion. He said it might be a good idea in the future, but added: "I don't think that any of us believe that the time is right at the moment."

Earlier Thursday, the White House gave Mr. Juppé's plan a cool reception, saying it would have to be painstakingly prepared to succeed.

■ **Croatian Serbs Hold Out**

Croatian Serbian fighters remain in battle positions in the north of the Bosnian enclave of Bihać despite retreating in the south, the United Nations said Thursday, Reuters reported from Zagreb, Croatia.

A UN spokesman said the "intransigent" and "belligerent" Serbs from the Krajina region of Croatia, bore prime responsibility for the fighting in Bihać, which has shaken the cease-fire agreement.

The contact group, comprising Britain, France, Germany, Russia and the United States, has temporarily shelved efforts to revive the bilateral Bosnia



A group of civilians crossing a temporary bridge at Mostar, Bosnia-Herzegovina, on Thursday. It replaced the well-known Old Bridge, which was destroyed by shell fire.

## Russian General Expects a Limited Chechen Guerrilla War

*Compiled by Our Staff From Dispatches*

**MOSCOW** — The new official coordinating Russia's fight to bring rebel Chechnya in heel said Thursday that Moscow faced a guerrilla war in the region, but that fighting would not spread throughout the northern Caucasus.

"We are expecting the worst variant, a partisan war," said General Anatoli Kulikov of the Interior Ministry, whom President Boris N. Yeltsin appointed chief coordinator of the Chechnya campaign Wednesday.

"People will go into the ravines and from there armed bands will launch raids and attacks," he said at a news conference.

"The turning point has not been reached, but there are signs of it," General Kulikov added, saying the Russian military had fulfilled its mission of destroying the main Chechen forces.

In Chechnya, Russian troops trying to end the rebel region's three-year bid for independence pounded Argun, 12 kilometers (8 miles) east of the capital, Grozny, with artillery and mortar fire.

But the Chechen fighters, who still hold parts of Grozny nearly eight weeks after the Russians intervened in the mountainous region, kept up stubborn resistance.

Meanwhile, the newspaper Izvestia said Thursday

that Defense Minister Pavel S. Grachev, Sergei Stepanov, the counterintelligence chief, and two deputy prime ministers could soon be dismissed.

A government spokesman declined comment on the report.

General Grachev, who handed over control of the Chechen operation to General Kulikov, was hospitalized for a routine army physical, officials said Thursday.

Nationalities Minister Nikolai D. Yegorov was hospitalized earlier with pneumonia, and Izvestia speculated that he also would soon be removed.

(Reuters, AP)

## Donald Pleasence, 75, British Character Actor, Dies

*Reuters*

**LONDON** — The British character actor Donald Pleasence, 75, whose piercing blue eyes and bald pate made him a natural movie villain, died Thursday in France after a heart operation.

Mr. Pleasence, who was acclaimed for his stage role as the repugnant tramp Davies in Harold Pinter's "The Caretaker" in 1960, moved on to Hollywood to give a string of convincing film portrayals of psychopaths and criminals.

The actor, who appeared in "The Great Escape" film as a shortsighted forger and as an elegant despot in the James Bond thriller "You Only Live Twice," had just finished his last role in the latest "Halloween" film when he died.

"He played many villains because he played them so well," said his close friend, the director David Giles. "He could look amazingly malevolent although he was one of the least malevolent people I have ever met."

Mr. Pleasence died at his

home in Saint-Paul-de-Vence, near Nice. He spent much of his life in France.

Henry Kraus, 89,

*Art Historian and Writer*

**PARIS** (IHT) — Henry Kraus, 89, who taught himself about art and went on to write several books on medieval church art, died Jan. 27 at his home in Hanover, New Hampshire. He had been in declining health for about a year.

He was awarded a MacArthur Foundation grant in 1984.

Along with his wife, Dorothy, who survives him, he wrote nine books on ancient churches in France and one on the medieval cathedral of Oviedo in Spain.

His best-known works were "The Living Theater of Medieval Art," and a book about the economics of cathedral building called "Gold Was the Minster."

He and a Bell switching engi-

neer, Samuel Williams, then expanded the machine into the closet-size Model 1 Complex Calculator and put it into routine operation at the beginning of 1940. That version solved problems faster than 100 human operators with mechanical desk calculators.

André Frossard, 80,

*French Catholic Writer*

**PARIS** (Reuters) — The French Roman Catholic writer André Frossard, 80, a friend of Pope John Paul II, who defended him from charges of dogmatism and intolerance, died Thursday.

A member of the French Academy, Mr. Frossard published "Defense of the Pope" in 1993, his 26th book and the last in a series of pamphlets prompted by his long friendship with the pontiff.

Karl Gruber, 85, foreign minister of Austria from 1945 to 1953, died Wednesday from diabetes in Innsbruck, Austria.

Mr. Frossard for many years wrote a biting column for the conservative daily *Le Figaro* under the title "Lone Cavalier." In his last column, published Thursday, he wrote that the economic crisis had placed Europe on a powder keg because it had bad gambled on greed.

The authenticity of such tracts has been controversial, with some Algerians and foreign experts in Algerian affairs claiming that they are produced by government intelligence officials to damage Islamic parties.

Algerian officials blamed Islamic fundamentalist guerrillas for the bombing of Monday, but none of the armed Islamic groups that usually issue statements after such assaults have taken responsibility for the attack.

The authenticity of such tracts has been controversial, with some Algerians and foreign experts in Algerian affairs claiming that they are produced by government intelligence officials to damage Islamic parties.

President Liamaine Zeroual's announced plans to hold a presidential referendum this year have been rejected by all opposition parties, including the two main secularist parties, the National Liberation Front and the Front for Socialist Forces.

The parties, which met last month in Rome with some Islamic opposition leaders, argued that elections were intended only to perpetuate the military-backed regime with hand-picked candidates presenting no real alternative to voters.

President Zeroual, a former general, reiterated his determination to hold the presidential referendum this year during a visit to Paris on Tuesday to hospitalize victims of the latest bombing.

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# THE AMERICAS / CHASING DOLLARS

## Republican Race for Election Funds Is On, Earlier and Harder Than Ever

By Richard L. Berke  
*New York Times Service*

**WASHINGTON** — Shortly before Dick Cheney, the former defense secretary, formally dropped out of the race for the Republican presidential nomination in 1996, he called Mel Sembler, a millionaire developer in St. Petersburg, Florida, who would have been among his top fund-raisers, to give him the news.

Soon Mr. Sembler's telephone was ringing again. "Within hours," he said, "I had calls from Lamar Alexander, from Phil Gramm and from Arlen Specter." Within three days, Mr. Sembler also received calls from advisers to Dan Quayle, the former vice president, and to Senator Bob Dole.

Mr. Sembler threw his support to Mr. Alexander, the former governor of Tennessee. This week, after Jack F. Kemp,

the former housing secretary, dropped out, Mr. Sembler made a call of his own. He helped persuade Lawrence E. Battaglia 2d, a New Jersey businessman who was Mr. Kemp's head money-raiser, to join the Alexander effort.

The race to raise money is being fought earlier and more aggressively than ever before among the Republicans.

With more states, including New York and California, moving up the primary dates, candidates who catch fire in early contests will no longer have time to squeeze in enough fund-raising events to capitalize on their success.

Senator Gramm of Texas has already transferred \$5 million from his Senate committee to his presidential account. Dole aides said he had only about \$2 million left from past cam-paigns.

Still, Mr. Dole is the best positioned as majority leader and because he has an established network of contributors from three earlier runs for national office. Even so, Mr. Gramm and Mr. Alexander have been the most aggressive in lining up prominent fund-raisers.

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earnest on Jan. 1, when government obligations for matching grants took effect.

Haley Barbour, chairman of the Republican National Committee, said: "In the bible of campaign politics it says, 'In the beginning was the word, the word was money.' But the idea that there is some gargantuan amount of money that one must raise in order to be a competitive candidate for president remains to be proven."

While Mr. Barbour holds the view that a lower-budget candidate could catch the public's imagination and capture the nomination, that has not happened in modern history.

Stan Huckabee, treasurer of George Bush's campaigns in 1988 and 1992, who has completed a study of presidential fund-raising, said the general rule was that "the person who

raised the most money in the pre-election year since 1976 has won the nomination." The exception was John B. Connally, the former governor of Texas, who outspent his rivals in his failed 1980 effort.

Alec P. Courtelle, a Miami builder who headed Mr. Bush's fund-raising operation and is fiancée chairman for Mr. Gramm, noted that in the compressed schedule, 70 percent of the delegates will be chosen in seven weeks. He said he was on "a very short fuse."

"This is my fifth presidential campaign and I have never seen it happen without the money," he said. "If you don't have gas, you can't push the car very far."

Robert A. Mosbacher Sr., Mr. Bush's head fund-raiser and then his commerce secretary, said some candidates were

overemphasizing their fund-raising advantages.

"Some people would like to scare everybody else out of the race," he said. He said he was holding out for James A. Baker 3d, the former secretary of state, who is considering running.

Candidates who amass large sums early can also feed the perception that they are gaining steam, as Michael S. Dukakis, then governor of Massachusetts, did in the 1988 Democratic primaries.

Though Mr. Alexander is little known nationally, he has already assembled an impressive fund-raising team, which is being led by Ted Welch, who was a fund-raiser for Ronald Reagan and Mr. Bush. The Alexander campaign has also recruited other senior fund-raisers from the Bush and Reagan campaigns.

Mr. Alexander has scheduled

23 fund-raising events from March 6 to April 15.

By contrast, Mr. Gramm has high hopes for a single fund-raising extravaganza he plans to

hold in Dallas on Feb. 23, the day before he formally declares. "Anything in the range of \$2.5 million would be an incredible start," he said.

### ★ POLITICAL NOTES ★

#### All's Fair in Love, War and Congress

**WASHINGTON** — Programs have friends, but bureaucrats do not, so focus your fire on the bureaucrats. Hold on to the moral high ground.

When Democrats attack Republican budget cuts as unfair, says Frank Luntz, a Republican pollster, "We must match our opponents story for story — the personal and national immorality of passing along increasing debt to our children and future generations, versus their budget-cutting borrow stories."

Mr. Luntz's advice was contained in a strategy memorandum circulated among Republicans on Capitol Hill.

The memorandum gives a glimpse of the coming struggle over the budget, and tries to analyze how Republicans can counter the expected Democratic critique and win the war for public opinion.

"In one sense, this memorandum is about taking back our language and turning the issue of 'fairness' against the Democrats," it says. "For example, why don't we begin to ask: Is it fair for Medicare recipients to have even greater choice of doctors and facilities than the average taxpayer who are funding the system? Is it fair to give student loans for truck driving schools? Is it fair to penalize middle-class families for saving for the future? Is it fair to leave battered children in abusive homes?"

A repeated theme of the memorandum is that Republicans must present their budget-balancing in a moral context. "The moral force for balancing the budget must be stronger than the pseudo moralists who will decry specific budget cuts," it says. "Our enemies are already gathering their stones. The New York Times has taken the lead, running two full pages of pictures of homeless people sifting through dumpsters for food. NBC's Tim Russert is a close second, decrying the humanity of the Republican cuts even before knowing what they are."

#### Lawmakers Give Reinvention a Pass

**WASHINGTON** — What if you held a seminar for Congress and hardly anybody showed up? The National Association of Manufacturers found out during a three-hour marathon at which business experts were supposed to tell members of the Senate and House how to remake government in the corporate image.

"More than 100 members of Congress and their staff learned how to change government and make Washington work," enthused a manufacturers' news release before that the private sector has embraced with extraordinary results."

In fact, only four members of Congress showed up. The Senate majority whip, Trent Lott, Republican of Mississippi, dropped in for 10 minutes, smiled and left, missing the entire presentation after congratulating the manufacturers on what he hoped would "maybe" be an historical meeting.

Maybe not. The manufacturers, whose members filled the audience, had nothing at all to say about remaking government. What they talked about was the great job American business had done to become globally competitive and what it needed to do to stay on top. The main speaker was Tom Peters, author of the best-selling "In Search of Excellence," who held forth on such second-stage themes as "beyond decentralization," "beyond empowerment" and "beyond change."

At one point, Dana G. Mead, chief executive officer of Tenneco Inc., "departed from the conventional wisdom" to say that "one of the primary functions of leadership is to set goals from the top." He urged corporate types to "face reality." By that time he was pretty much facing an empty room.

#### Quote/Unquote

Mayor Marion S. Barry of the District of Columbia as he reported that the capital was facing a staggering \$722 million projected budget shortfall: "This city is in shock. No one wants to see this kind of news. This is the most serious financial crisis since 1873."

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**Herald Tribune**



**GOOD NEWS FROM PHIL** — Punxsutawney Phil being held aloft by his handler Thursday after emerging from his burrow on Gobbler's Knob in Punxsutawney, Pennsylvania. Phil apparently failed to see his shadow this Groundhog Day, for only the 10th or 11th time in 108 years, so legend has it that spring is just around the corner.

### Away From Politics

**The New York City Police Department** is investigating 20 officers in the central Bronx who are suspected of beating up suspects, selling narcotics and stealing money from drug dealers during the last three years, law enforcement officials said.

**Six bald eagles** died in southern Wisconsin last month from what appears to be accidental poisoning, a wildlife official said. Testing is being done to identify the poison that might have killed them, the official said. It doesn't appear that the birds were poisoned on purpose. Killing an eagle, a protected species, can

result in a one-year prison sentence and a fine of up to \$100,000.

**• The adoptive parents** of a child known as "Baby Richard" have asked Supreme Court Justice Sandra Day O'Connor to delay an order giving custody of the boy to his biological father. If a delay is granted, it would give attorneys for the adoptive parents and the child time to appeal an Illinois Supreme Court ruling that the boy should go to his biological father, who has never seen him.

**• After completing** hasty repairs to a malfunctioning navigation unit, NASA said it hoped to launch the space shuttle Dis-

covey on Friday for a rendezvous with Russia's Mir space station. Technicians hurriedly replaced a navigation unit that would not turn on, preventing the shuttle from taking off.

**• A Florida woman** whose elderly uncle was killed and dismembered by an assailant is suing a Palm Bay nursing home for negligence. Cubic Harris, an 84-year-old patient prone to spells of disorientation, wandered away from the Palm Bay Care Center last February. Jeannie Willis's suit accuses the nursing home of violating her uncle's rights by failing to monitor him at all times.

impose a mandate, the preferred option is to fund it.

Under budget constraints during the late 1980s, the Congress, then controlled by the Democrats, passed the costs of federal regulations and mandates to other government entities, consuming more and more of their budgets.

The legislation on so-called unfunded mandates was approved 360 to 74 on Wednesday, and then sent to a House-Senate conference to resolve minor differences with a Senate version passed last week. President Bill Clinton indicated last week that he supported the bill.

Both versions abandoned the outright prohibition on unfunded mandates that House Republican candidates had promised in September in their "Contract With America." Instead, the legislation would require Congress to give cost estimates of proposed new regulations.

Supporters suggested that by calling attention to the costs of proposed mandates, the legislation would discourage lawmakers from bringing them up or make it easier to defeat such proposals on the floor.

"This was sort of a message, 'Stop us before we mandate again,'" said Representative William F. Clinger Jr., a Pennsylvania Republican who is chairman of the House Government Reform and Oversight Committee. "If we are going to

support this, we must have a mandate that's fair to the states," he said.

But he denied that one of those officers was Detective Mark Fuhrman, who would later say he found a bloody glove at Mr. Simpson's house.

In an interview broadcast Thursday, another Simpson attorney, Johnnie L. Cochran Jr., said that even if Mr. Shipp's claim about the conversation were the truth, "which it is not," dreams are not the proper subject for a trial.

The prosecutor, Marcia Clark, argued Thursday morning: "But, in fact, you know, I think Walt Disney said it best. I think, what was it in 'Sleeping Beauty'?"

The line is actually from the movie "Cinderella."

"What about all these wonderful dreams that I'm sure O.J. Simpson must have had in the times he loved his wife?" Mr. Cochran asked on NBC's "Today" show. "It doesn't make any sense."

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# International Herald Tribune

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## A Condition-Free Treaty

Bill Clinton has taken a major step to rescue an endangered treaty that is the principal instrument for preventing the spread of nuclear weapons. He dropped the demand that the United States alone was making for an "easy out" option in 10 years from a comprehensive nuclear test ban. By this concession, the president measurably strengthens his hand in asking others to permanently extend the Nuclear Nonproliferation Treaty.

And oot a minute too soon. The treaty is up for precarious review. It is not that it is terminally flawed — it isn't, although 25 years of experience has shown its limitations in pursuing determined violators. Renewal is faltering under the special-interest burdens that various countries including the United States are putting on it.

For instance, nonnuclear Egypt wants Israel to openly acknowledge its veiled nuclear status. Iran, a signer but also a nuclear sneak, insists that there should be no controls on exports of nuclear material and technology to treaty signers. Others believe that the five declared nuclear powers must pledge not to use nuclear weapons first against those without them — a pledge that the United States, with its global responsibilities, still hesitates to make. Many also believe that the five, especially the Americans, have not sufficiently met their treaty obligation to dis-

arm — notwithstanding the deep cuts that Washington and Moscow are making in their strategic arsenals.

In another politically sensitive policy area, a group of countries demand that the five halt all nuclear tests. But until now the United States, although it observes a testing moratorium, has sought to preserve a right to conduct small-scale stockpile-checking tests and also to retain an "easy out" option in a test ban treaty. Here is where the administration signals welcome change. It will extend the *moratorium* until a global test ban treaty takes effect, and it will no longer ask for the "easy out."

These adjustments enable America to claim that it is abandoning some of its nuclear privilege, the better to persuade nuclear have-nots to stop bargaining over the terms of their consent to extension.

The nonproliferation treaty is not a relic, not a token, not one-sided. It embodies collective recognition of the common nuclear peril. It provides the practical standards and procedures that make up the global nuclear code. Not one of the special demands and privileges being asserted is worth more to the asserter than permanent extension of a clean condition-free treaty.

For the United States to act on this fact is to make it the world leader it should be on this paramount security issue.

— THE WASHINGTON POST.

## Foreign Aid, Carefully

Foreign aid, never very popular with Americans, is on the chopping block. It is not easy to argue the merits of spending to diminish poverty, hunger and disease abroad when budget cuts mean inadequate funding for those problems at home. But some substantial benefits for the United States can be secured by relatively inexpensive foreign aid programs that are carefully selected and managed. Aid that directly attacks the causes of global insecurity like poverty, disease, overpopulation and environmental degradation can prevent the sort of political instability and humanitarian disasters that ultimately require more costly U.S. involvement. If the budget-cutters are not careful, they may shortchange aid to those who need it most and when it may do the most good.

Of the \$12.3 billion in the aid budget, more than half goes to programs that reduce risks to U.S. security — \$3 billion to Israel and \$2.1 billion to Egypt to promote peace in the Middle East, and \$1.2 billion to the former Soviet bloc to encourage transitions to democracy and markets. Republican leaders have pledged to sustain these efforts. If that position prevails, most of the cuts will come from aid to the poorest of the poor, especially in Africa, which has helped turn around

— THE NEW YORK TIMES.

## Budgeting Health Care

The Clinton administration said last year that the deficit could be reduced in the long run only by controlling health costs. Now congressional Republicans have begun to issue similar warnings. The implication is that Medicare and Medicaid, together a sixth of the budget, are both very much on the cutting board. That was the importance of the speech that House Speaker Newt Gingrich and Senate Majority Leader Bob Dole gave to the American Hospital Association this week.

The Republicans propose not just to reduce the deficit but to balance the budget while cutting taxes, protecting defense and Social Security and paying the interest on the debt. Interest, defense and Social Security together are just over half the budget. Medicare and Medicaid are more than a third of the rest and rising. There is no way to balance the budget and do all the rest of what the Republicans want without cutting them. The only question is how and, in particular, how without shifting some large part of currently federal costs to such other heavily burdened payers as the states and the privately insured. The Republicans, as they themselves suggest, have not figured that out yet. In fairness, no one else has either.

— THE WASHINGTON POST.

## Other Comment

### A Threat to South America

The war between Peru and Ecuador is a conflict that must be resolved as soon as possible — not just for the sake of human life but for the future of the continent. The conflict threatens to undermine the region's steps toward integration and its strengthening of democracy.

All Latin American governments must begin negotiations at once with the countries in question to seek a solution to a conflict that ultimately goes beyond the issue of borders.

— Clarin (Buenos Aires).

## Prepare for Better Relief and Peacekeeping, Not Less

By Jim Hoagland

NEW YORK — Into the ditch have gone the ambitious hopes for preventive diplomacy and conflict resolution that flourished at the end of the Cold War. A silent truce is being practiced by an international community overwhelmed by the eruption of nasty little wars across the globe.

Russia still receives intensive care as it wages its Chechen campaign. Bosnia has been reduced to low-level life support, getting some food and bandages but no strong medicine. At death's end of the test lies the continent of Africa.

The withdrawal of United Nations peacekeepers from Somalia this month marks it as a casualty beyond saving. Warring Somalis will be left to fight it out. The most vicious, or perhaps just the most efficient, thugs among them will emerge to claim a UN seat. But their bloodstained excellencies will be welcomed in the world's foreign ministries.

The case of Rwanda is even more chilling. The next eruption of tribal warfare and genocide is being prepared openly in the Hindu-inhabited refugee camps that the United Nations and humanitarian organizations oversee on Rwanda's borders. Yet no country responded when UN Secretary-General Boutros Boutros Ghali tried to form a small force to head off the next, predictable round of bloodletting.

At least in Somalia there was an effort. In Rwanda, as Mr. Boutros Ghali has said on several occasions, "We have failed ... and thus have acquiesced in the continued loss of human lives." Somalia represented a mismanaged good intention. Rwanda represents a cold calculation to take no chances.

This is a far cry from the hopes that preventive diplomacy would be a growth industry for the 1990s. The Clintons promised to spare Americans new foreign involvement by detecting crises early on and heading them off. At the United Nations, plans proliferated for a rapid reaction force that could intervene to prevent the next Bosnia or Rwanda from turning again into a giant killing ground.

Those hopes sank in the sands of Somalia and the snows of Sarajevo. Conflicts that superpower bloc rivalry would have stifled in the past are not deterred or affected by unwieldy international coalitions lacking common political aims. Led by America, the governments of the major powers have turned inward, run out of ideas and resources for international action. They have become, in a word, callous toward the most savage of these conflicts.

The time has come for a serious re-

thinking of international relief and humanitarian programs in a world with the closed horizons of a Jean-Paul Sartre drama: a world where there are no exits, and the cavalry will never come.

Relief groups increasingly care for populations that cannot be protected. These populations become the "the well-fed dead." Smart nongovernmental organizations are beginning to ask if their efforts in fact help prolong the conflicts they try to resolve.

This is clearly the case now in the Rwanda crisis, where, in the words of Canadian diplomat Gary Soroka and Christopher Cooter, "the humanitarian rationale for the refugee camps is gone."

Their carefully worded but clear message is that the Hutu-controlled camps in Zaire should be closed, by turning off the flow of food and services if necessary, before the Hutu use the camps as launching pads to attack the Tutsi-dominated government. The Hutu refugees would then be forced to abandon the camps run by warlords, return to Rwanda and cooperate with the new government to get relief supplies.

Mr. Soroka acknowledges that this proposal, advanced in a Policy Staff Commentary published by the Canadian Foreign Ministry for public distribution and discussion, puts the United Nations

high commission for refugees and other relief organizations working in the camps "in a box." Their mandate is to help refugees, and "this would represent a major philosophical departure for them."

Another clarion call for new thinking comes from the International Crisis Group, formed in London two weeks ago with the financial support of financier George Soros and the intellectual stimulus of Morton Abramowitz, head of Washington's Carnegie Endowment. The group expects to spend \$10 million a year to stimulate a new coordinated approach to humanitarian relief that will recognize current political realities.

"Humanitarian assistance, however important in saving lives, unfortunately can serve as a palliative and a substitute for governments taking more decisive, politically difficult measures to solve the crisis itself," the crisis group's organizing proposal states.

These two documents are must reading for the U.S. Congress as it considers cutting or eliminating U.S. participation in international peacekeeping and relief operations. The documents show that the time is ripe for pragmatic, even radical reform of these operations. But that cannot be accomplished by turning America's back on the world's wounded.

The Washington Post

## State of Israel, State of Palestine, Each Side Secure and Responsible

By Amos Oz

JERUSALEM — Even if it turns out, as some say, that the murderous vermin who carried out the recent terrorist attacks in Israel are controlled from Damascus, we must not cease negotiations. On the contrary, negotiations must be accelerated.

But in this case, and concurrently, we must hurt those who are hurting us. President Hafez Assad has two options: out to shoot during negotiations, or to shoot and carry on negotiations at the same time. History has plenty of precedents. But if he chooses the second option, let it be clear that Syria will not remain the only one doing the shooting.

This applies to Palestine as well. We Israelis are talking to the Palestinians about a just, comprehensive and secure peace. So, talking and not shooting, or talking and shooting. If Palestine continues to hurt Israel, Israel will hurt Palestine, while not halting the peace negotiations.

This, however, is much more complicated than in the case of Syria, because Syria is an existing entity and Palestine isn't. It

would have been much easier for us had there been a Palestine. It is impossible to launch a military attack against Palestinian military or strategic targets, because Palestine does not yet exist and there are no military or strategic targets, and we are still an occupying force in Hebron and Tulkarm. We are condemned to deal with Hebron and Tulkarm with police measures rather than use military force against a government of Palestine that does not want to, or is unable to, implement the peace agreement.

It is both necessary and worth while that a Palestinian state exist alongside Israel as soon as possible. Above all, it is just and morally valid for each nation to demand the right to live in peace on its own land. And if there were a Palestine alongside Israel, there would be a good chance that this abominable fanaticism would disappear, or at least be reduced.

There is also a good chance that, for reasons of fear or danger, or other considerations, a Palestinian government would make a point of suppressing these murderous gangs. If a Palestinian government did nothing to quash the murderer's attacks on Israel, Israel would be able to respond by attacking legitimate Palestinian targets, instead of having to go on with this endless game of cops and robbers.

The conflict between us and the Syrians is a "black and white" conflict: Syria is the aggressor, Israel the victim of aggression. We defeated Syria several times and captured some of its land, and we shall go on holding this land for as long as it takes to achieve secure peace between us. This is what is being done with Egypt and with Jordan.

The conflict between us and the Palestinians is not a "black and white" affair. It was mainly because of the cruelty and extremism of their leaders that the Palestinian people lost all they ever had: their towns, villages, houses, fields, identity and self-respect, and especially their hope for the future.

It is not easy to quarrel with someone who has lost everything

he ever had, both because he is so desperate and angry and because there is almost nothing left with which to threaten him.

When a 3-year-old has a pain in his knee, he might smash it with his fist to make it stop hurting. But the problem between us and the Palestinians is a tragic one — a deep wound, a catastrophe. You cannot continue lashing out at a problem until it stops being a problem. It must be cured.

The cure will be bitter and painful and require surgery, both because the wound is a complicated one and because we, out of fear and blindness, have been putting off all attempts at curing it for so many years that the wound has become infected. It is full of pus and there is severe hemorrhaging. The healing process will see progress and relapse, good days and terrible days.

But we must not forget for a moment that at long last, after so many years of anguish, hatred and death, we have begun — and this is only the beginning — the process of healing the wound. We must grit our teeth and get on

with the cure. There is no choice.

The land of Israel is the only homeland for the Jews. Palestine is the Palestinians' only homeland. We are going to have to share it — ours runs from this point to that point, and theirs runs from here to there. If necessary, an electric fence will have to be put up, and mine fields laid to separate us from them until such a time as we all undergo a change of heart.

A neighboring Palestinian state is in Israel's national interest. It is also a moral obligation, if we are to begin drying up the swamp of despair and fanaticism from which extremists on both sides keep rearing their ugly heads.

Only then will there be hope for the future, for them and for us, because our hope for the future depends on theirs. And only then will they, too, have something to lose — so that they, too, will have to think twice.

The writer is a novelist and a founder of Israel's peace movement. This comment was translated from the Hebrew by Ora Curiel.

## While the New KGB Wins in Chechnya, Russia at Large Could Lose

By Amy Knight

MICHAEL McLEAN, Virginia — Russia's assault on Chechnya, however ill-conceived militarily, is a political victory for Boris Yeltsin's counterintelligence service — a victory with broad implications. The invasion intensifies a trend toward authoritarianism that began with Mr. Yeltsin's attack on opponents in the Russian White House in October 1993.

With the Chechens all but defeated and a puppet government sure to be installed, the whole crisis could blow over, leaving Mr. Yeltsin with a badly bruised image but still firmly in office.

Although the military is conducting the assault in Chechnya, the Federal Counterintelligence Service, successor to the KGB's Second Directorate, has been masterminding the operation. Moscow's stated goal is to restore

Lubyanka, Moscow headquarters of the counterintelligence service. I spoke with an official who acknowledged that it was probably on the basis of information his agency provided that Mr. Yeltsin's Security Council decided to invade Russia, he said, was dealing with a vast "criminal mafia."

The war has grave implications. What is to prevent the Yeltsin administration from using similar justifications for persecuting other stubborn ethnic groups or even individual dissenters? Defending the constitution, after all, can require an iron fist.

Mr. Stepanishin has emerged as a top Yeltsin adviser. He was a newcomer with little apparent influence when he came from the Inter-

ior Ministry to join the security services in 1991. But after unswerving support for Mr. Yeltsin during the president's political struggles, he was rewarded with appointment as head of the counterintelligence service in early 1994. Mr. Yeltsin then gave the service broader authority.

That is task in Moscow of competition between Mr. Stepanishin and Alexander Korzhakov, chief of the president's personal security service. He worked in the KGB's Ninth Directorate and has become Mr. Yeltsin's most intimate confidant.

They also suit his purposes. If he has any hope of retaining the faith of Western leaders, he has to distance himself from the aggression against Chechnya. Hence the announcement that he had ordered a halt to the bombing of Grozny, only to have the order ignored.

But ultimately Mr. Yeltsin is responsible. He has chosen to ignore the admonitions of his human rights adviser, Sergei Kovalev. And his recent statements on Chechnya, together with his dismissal of key generals who opposed his policy, give little indication that he has regrets.

The war serves the Yeltsin administration by giving a message to other non-Russian ethnic groups, including those of the newly independent states, that Moscow will not hesitate to use violence in the face of recalcitrance. It also provides an excuse for drawing the curtain a bit on what Mr. Yeltsin and his advisers from the former KGB apparently see as excessive freedoms.

The writer, who is preparing a book about the Russian security services, contributed this comment to The New York Times.

## Affirmative Action Has Had Its Day

By Richard Cohen

WASHINGTON — Many years ago, a woman was chosen over me for a promotion. When I asked a supervisor for an explanation — was she, in fact, better than me? — he said merit had nothing to do with it. I remember his words well: We needed a woman.

The explanation rankles to this day. The woman in question came from a very old and still affluent American family, while I was the first male in my family to graduate from college. How, I wondered, did she become a victim and me a member of a privileged class?

I try to balance that experience with what I know are the needs of true victims, and over the years I have been supportive of affirmative action — although with many reservations.

Further, I know that without affirmative action — without the government breathing down the necks of employers, colleges and other institutions — little would have been accomplished. It was not enough merely to drop racist barriers. Something more is needed to be done.

"You do not take a person who for years has been hobbled by chains, liberate him, bring him to the starting line of a race and then say, 'You are free to compete with all others,' and still justly believe you have been completely fair," Lyndon Johnson once said. Affirmative action was the appropriate remedy. But no longer.

Proponents of affirmative action language that in its own way is as dated as Middle English. Jesse Jackson equates the California governor, Pete Wilson, who favors ending racial preferences for women and minorities, with segregationists of old. Other proponents, some of them leaders of women's groups, make similar statements.

You would think that the choice was between affirmative action and a return to Jim Crow, or, for women, the hiring or admissions practices of old. It is not. Few would countenance such an outcome. Throughout the country, the virtues of diversity are not only acknowledged, they are celebrated.

Ultimately, affirmative action is doomed. Voters loathe it and the courts are giving it another look. It would be foolish for the Democratic Party to lash itself to a program that will sink for one reason or another and has always troubled even some of its proponents. Racial progress will not be advanced if Democrats stick to an agenda that most Americans reject — and not out of bigotry.

After 30 years of affirmative action, it is time to limit its application — maybe only to instances of recent discrimination. I say that with reluctance, and with full appreciation that racism endures and racists will cheer, but with the overwhelming conviction that the program has outlived its usefulness.

Whatever good it has done, it violates the American creed that we must be judged as individuals, not on the basis of race or sex. The civil rights era is over. The civil liberties era must begin.

The Washington Post

ing placed in the efficacy of one educational real entitled "How to Gargle." British medical authorities are advocating the use of potassium permanganate gargles as a sure means of killing the "flu germ" and the Paine firms will not only show the proportions of water and permanganate to use, but will illustrate the proper tilt to be given to the medicine glass to enable the solution to do its deadly duty.

1945: Groundhog Day

PUNXSUTAWNEY, Pennsylvania — Groundhog observers gathered here at seven o'clock this morning [Feb. 2] on Bobbler's Knob on Canoe Ridge. As soon as the woodchuck heard their dogs barking, he dashed out and climbed a twenty-five-foot snowdrift. They calculated from this height he cast a shadow twelve miles long. So



## Around the World In a Lifetime of Coffeehouses

By Paul Hofmann  
New York Times Service

**A**s a native Viennese who in my youth spent too much time in coffeehouses, I have sought out substitutes in my travels around the world ever since.

I have found some in unlikely places. One was in what is now Kinshasa, Zaire, (then, in 1960, Leopoldville) near the post office; it was actually an ice cream parlor, but it had strong coffee, a sidewalk terrace and, during the sudden tropical sunset, something of a mellow mood. Fink's nn Hahistadruth Street in Jerusalem — also not strictly a coffeehouse but a bar with a small restaurant attached — somehow combined restfulness with exhilaration.

Elsewhere in my travels outside Europe I found coffee shops, tearooms, brasseries, pizzerias, taverns and places that are touted as international watering holes, which usually turn out to be overdecorated bars in expense-account hotels. A coffeehouse is something else again.

First, the accent must be on coffee, although alcoholic drinks may be available too. Coziness is another requirement: it's that indefinable *gemütlichkeit* that may very well be accompanied by, and may even be enhanced by, a degree of shabbiness — threadbare carpets, slightly gassy banquets, faded wallpaper.

The ultimate test of coffeehouse authenticity is relaxation. You mustn't be disturbed after you have ordered your beverage. You may nurse it for hours, ask for a slice of cake with it, pencil the layout of the ideal studio apartment on your table's marble top, chat with friends, flirt, indulge in reveries, write screenplays or read. A coffeehouse in Central Europe supplies the day's newspapers as well as the latest issues of magazines free.

Plenty of literature was born in coffeehouses. Nikolai Gogol wrote much of "Dead Souls" in the Antico Caffè Greco on Via Condotti in Rome. The establishment, with its early-19th-century décor, black marble tables and frock-coated waiters, still exists; it is a landmark and one of my favorites. The guest book contains autographs from Stendhal, Baudelaire, Wagner and Liszt.

In the mid-1950s Giuseppe di Lampedusa went every morning to the Caffè Mazzara on the Via Generale Maggioio or the Caffè Cafissi on the Viale della Libertà in Palermo to work on his novel, "The Leopard."

In Prague, the Arco, opposite the old railroad terminal counted, among its regulars Franz Kafka, his friend Max Brod, the novelist Franz Werfel and other writers and intellectuals.

Any number of literateurs have haunted the Left Bank cafés in Paris. Now the

haunting at Aux Deux-Magots and the Café de Flore in Saint-Germain-des-Prés is done mostly by tourists.

Alfred Polgar, who for many years crafted his scintillating essays and drama reviews at the Café Central in Vienna, said that coffeehouses were for "people who want to be alone but need company for it," while for lovers and married couples the coffeehouse was "a refuge from the terrors of undisturbed togetherness."

Later, in exile in Los Angeles, Polgar pined for the Café Central, and eventually emigrated back to Zurich where he settled in at the Café Odeon on Limmatquai. James Joyce, Richard Strauss and W. Somerset Maugham were also habitués there. I never pass up the Odeon when I visit Zurich.

My other favorites include the chatty places around the Rossio in Lisbon's center; the coffee is excellent. In Budapest I prefer the two rooms of the Ruszwurm on Buda Castle Hill to the large Gerbeaud shop on Vorosmarty Square. The 168-year-old Ruszwurm with its neoclassical columns, stucco work and Biedermeier chairs oozes atmosphere. The elegant Gerbeaud, which has a popular open-air terrace, is a confectioner that also serves coffee and tea.

In Salzburg I am drawn to the Tounsell on the river embankment where Mozart's father was a regular, and to the Glockenspiel opposite the carillon on Moarplatz.

In Venice, the venerable Caffè Florian on the south side of St. Mark's Square with its many tables in the piazza in the warm months and its austere interior on foggy winter days offers the chance for a breather to visitors who are exhausted from walking up and down innumerable canal bridges. In nearby Padua, the 163-year-old Caffè Pedrocchi, watched by stone lions in front of its noble Doric columns, opposite the ancient university, is another glorious landmark. In Trieste, at the Caffè degli Specchi on the airy Piazza Unità d'Italia I always have the feeling of being back in Vienna.

One of the old coffeehouses in my native city that remains in business is the Prückl on Stubenring. My friends and I used to hold card sessions before exams there, played chess, made and received telephone calls, and counted girls (rarely with success). The elderly headwaiter, Ferdinand, suffered from an arthritic shoulder and often muttered to himself, but tirelessly brought us yet another stack of newspapers on bamboo holders, refilled our water glasses and fetched the requisite volume of the encyclopedia that we needed for that tricky Eight Down of a crossword puzzle. In a smoky back room, people who seemed like fossils to us played rummy and bridge endlessly.



David Berman/IFT

For a laugh, and whenever we could afford it, we descended to a basement theater under the Prückl where a faunistic troupe with phony Tirolean accents performed parades of once-popular dramas of chivalry in which armored knights would rescue pigtailed damsels and horribly punish the fiendish and hulstul robber baron.

The Prückl is one of the few survivors of the many coffeehouses that once lined the Ringstrasse, the horseshoe-shaped boulevard hugging the historic city core. Another is the glittering Landtmann, opposite Vienna University, where Sigmund Freud occasionally played tarot, his favorite card game, with academic friends.

**T**HE Imperial, near the State Opera, which Gustav Mahler favored, is also still going strong.

The Café Museum, near the Art Academy, where Egon Schiele and Elias Canetti used to hang out, is crowded with students these days and pleasantly seedy.

Polgar's Café Central on Herrengasse was refurbished and reopened some years ago. At a table near the entrance there is

now a life-size statue of Peter Altenberg, another celebrated essayist who virtually lived in that coffeehouse and got his mail there. Trotsky played chess at the Central before the Russian Revolution, and Robert Musil, Hermann Broch, Werfel and other writers were among the clientele.

Today, despite stiff rents, high labor costs and television, which keeps many people at home in the evening, Vienna still boasts 1,500 coffeehouses. And Rome provides the beloved and indispensable stimulant in 6,000 espresso places, many with at least a few tables.

During my latest sojourn in New York I spent a lot of time sipping cappuccino and letting my mind wander while seated in the coffee bars that have sprouted on Park Avenue South, in SoHo, on the Upper West Side and even in Times Square.

Caffeinated cheers for that invasion by the Italian espresso machine with a dash of French café flâr. Can apple strudel and whipped cream be far behind?

Paul Hofmann is a former chief of the Rome bureau of The New York Times.

## Wyoming's Shrine To the Wildlife Of the Wild West

By Timothy Egan  
New York Times Service

**J**ACKSON HOLE, Wyoming — Along with cowpokes and weather-worn Stetsons, what endures from the mythic West is its wildlife — all those boulder-size bison with snow on their snouts, grizzly bears chomping on huckleberries, or wild horses sprinting through a draw.

Photographs, even to this day, have never really done justice to these images. And much of the art of Western wildlife has been dismissed as place-mat kitsch.

This is unfair, defenders of this uniquely American art form have long argued. But until the recent unveiling in Jackson Hole, Wyoming, of what is said to be the world's most extensive collection of American wildlife art, there has been no real shrine for such work.

The National Wildlife Art Museum, which opened in September, is three miles north of the town of Jackson and just south of Grand Teton National Park. Its more than 50,000 square feet (4,650 square meters) of gallery space is devoted primarily to sculptures, paintings and sketches of American wildlife.

Most of the focus is on the West's so-called mega-fauna, the animals that stunned European visitors and were a source of reverence — and food — for the native people.

The new museum, replacing a small one opened in 1987, is nestled into a hillside shadowed by the Teton Mountains and overlooking the Gros Ventre Mountains. A hundred feet below, in the broad, flat valley carved by the Snake River, is the National Elk Refuge — nearly 25,000 acres of winter range for an enormous herd that comes down from Yellowstone and Grand Teton national parks.

From the museum, a visitor is close enough to see the steam of a bull elk's breath. In late fall, the refuge is a sea of antlers moving over the snow. Moose, bighorn sheep, bison, mule deer and a variety of birds also gather there at different times of the year.

It's one thing to look at an Albert Bierstadt painting in the Metropolitan Museum of Art in New York, but to see it high in the Rocky Mountains is to gauge it against the source of inspiration. "Elk Grazing in the Wind River Country," a Bierstadt painting from his first trip out West, in 1861, is a good example. It has been given prominent wall space in the wildlife museum. A peak out the window reveals a stunning scene of a similar sort, but it geese flocking to the refuge or a storm breaking up at dusk.

The building — designed by Curt Fenness and Brian Chaffee of the Denver firm of C.W. Fenness and J.H. Bradburn

& Associates — is sheathed in brown stone and looks like a large rock outcrop poking its head from the hillside. Only after one ascends the hill and approaches the museum from an entrance that is hidden from the road does the magnitude of the place become clear. Inside are 1,300 works by more than 100 artists, spanning a period of nearly 200 years.

In addition to the 12 galleries, there is a 200-seat auditorium, two classrooms, a film library, an outdoor sculpture garden and a deli cafe (serving that old Western campfire favorite, espresso, among other things).

Even before entering the museum, a visitor is struck by the larger-than-life aspects of the subject matter. Resting in bronze near the parking lot are two large bison, more than twice normal size, the work of T. D. Kelsey, a Montana sculptor.

One thing is immediately obvious: this wildlife art has been done for the most part by European and American painters. The work of American Indians is largely absent.

Dan Provo, the director, wants the wildlife museum to serve as a source of scholarship and discussion about issues related to the West. Among current exhibitions are ones devoted to Charles M. Russell, the noted cowboy artist (through June 24), and Bill Goldings, a Wyoming painter who died in 1932 (Feb. 4 to May 9).

**T**HE featured artist of the permanent collection is Carl Rungius, a German-born painter who lived from 1869 to 1939 and devoted his life to portraying the animals of the West.

A gallery in his name houses more than 250 works. And his painting "The Days of Bison Millions" which used to hang in the Jackson Lake Lodge in Grand Teton National Park, is the first big piece of art a visitor sees after entering the gallery sections of the museum. Rungius said of the animals that inspired his work, "No one will paint them as I have because no one will see them as I have."

Russell and George Catlin, among the best known artists of the old West, are also given ample space. I was drawn to Russell's illustrated letters. They were done in thoughtful, cartoony cursive, with doodles of cowboys, horses and other animals decorating the pages. His bronze sculptures, placed in a room with his letters and some of his sketches, show how he tried to capture an animal in its full athleticism.

The museum has a gallery called Habitat for Young People, with life-size animal silhouettes, trees and an area where children can dress up in animal costumes. If that can't distract enough to lure them into the world of wildlife art, they can always look outside, in a place where the canvas is never blank.

### HOLIDAYS & TRAVEL

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# LISSURE

## Cutting Corners, a Mixture of Style and Luck

By Roger Collis  
International Herald Tribune

PEOPLE often ask: "You hand out all this advice about cutting travel costs: but how do you buy your own travel?" Good question. You may be pleased to know that I'm not as smart as I seem. I shop for a deep discount fare only to buy an expensive one-way ticket home because I need to change the flight. I cannot always muster the chutzpah to talk down a hotel room rate on the phone, and I find myself paying the walk-in rate at a car rental desk when I could have saved 60 percent by booking the day before.

Value doesn't always depend on how much you spend; there are times when spending a little more can yield a great deal of extra comfort and convenience. Here are some ways to help you (and me) stay ahead of the game.

It sometimes pays to pay full fare if you really need the freedom to switch flights and carriers, make unlimited stopovers, and benefit from IATA "fare construction" devices. You may also qualify for 24-hour stopover packages at airlines' major hubs; two-for-one promotions, upgrades and higher mileage credits. Otherwise, shop for a consolidator ticket (consolidators often specialize in different destinations), which can cut the cost of full-fare travel on long-haul routes by up to 60 percent. You can change flights, but not carriers.

Worst buy is a full economy ticket — unless you use it as a means to a free or low-cost upgrade with frequent-flier credits. If you have to sit in the back of the plane, shop for the deepest discount ticket you can find — which can be as low as 30 percent of the full economy fare.

If you are traveling at least half way

around the world, an RTW fare can save you about 40 percent in first, business or economy with all the stopovers you need. Look too for "Circle Asia" fares, from North America or Europe, with similar savings. (From New York, for example, you can visit six capitals in Southeast Asia for less than \$1,000.) All the major U.S. and Canadian carriers, and many in Eu-

### The Frequent Traveler

rope, South America and Asia, market air passes to foreign visitors that can save up to 70 percent on the normal economy fare.

Traveling within Europe, look for airlines with a single-cabin service — often better than life in front of the curtain on other carriers. Air UK, which flies to 19 cities in Britain and the Continent, from London (Stansted) offers business-class food and service to all passengers, whatever fare they've paid. Transwesel operates a similar service between London (Gatwick) and Stockholm. Air France and Sabena offer gourmet meals on single-cabin services between London City Airport and Paris and Brussels.

Savvy travelers often choose an airport first and an airline second. One choice often determines the other depending on where you live. So choose your megahub — or gateway — carefully, and decide where you want to change planes, at the start or end of your journey. When you have to make a connection, choose a user-friendly hub where you don't have to walk a mile between gates or catch a bus to another terminal.

Don't assume that the best way to travel is with your national carrier. "Cross-border hubbing," where you fly a foreign airline via its main hub, can be faster and more convenient — especially if you have to change anyway — and save you up to

50 percent of nonstop flights from your point of departure.

Traveling from Bristol to New York, your best bet is to go through Dublin with Aer Lingus. Ask somebody who lives in Norwich what is the fastest, cheapest and most civilized way to get to New York, and they'll tell you to avoid Heathrow and travel Air UK to Schiphol, then KLM (or Delta) to JFK. From Hamburg to Hong Kong or Tokyo, SAS via Copenhagen is faster and cheaper than Lufthansa via Frankfurt.

Having the run of an airport lounge is a big factor in alleviating terminal misery. But it's hard to get into one unless you're traveling first or business class or have "elite-level" FFP credentials. However, U.S. airlines are obliged by law to offer club membership. American's Admirals' Club; Delta's Crown Room Club and United's Red Carpet Club cost about \$200 in annual dues. Well worth joining if you're flying their way.

The International Airline Passengers Association (IAPA) has a lounge program called Priority Pass: members pay dues of \$75 plus \$21 per visit to 80 lounges worldwide. Expensive. But what price do you put on a port in a storm? Check whether a lounge is "airside" or "lanside." The key to relaxation is being a few yards from the gate when the flight is called. Diners Club members have free access to 55 airport and business lounges worldwide.

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Smart travelers often choose an airport first and an airline second. One choice often determines the other depending on where you live. So choose your megahub — or gateway — carefully, and decide where you want to change planes, at the start or end of your journey. When you have to make a connection, choose a user-friendly hub where you don't have to walk a mile between gates or catch a bus to another terminal.

Don't assume that the best way to travel is with your national carrier. "Cross-border hubbing," where you fly a foreign airline via its main hub, can be faster and more convenient — especially if you have to change anyway — and save you up to

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In Netherlands  
Tulips Are  
From Flooding

FLOODS:  
The Waters Fall

CAIRO:



# The AT&T Global Calling Guide For International Travelers



## Almost Everywhere You Travel, AT&T Makes Staying in Touch Easy

When you're at home, you pick up a phone without thinking about it. Without thinking how to dial a call or charge a call. When traveling, it's often a different matter, and that's where AT&T comes in.

AT&T is a worldwide company whose services are available virtually anywhere you go. The company that simplifies global calling. The company that provides service in the English language. The company that makes multilingual interpreters available whenever you call. The company that gives you the ability to charge calls virtually worldwide. The company that makes you feel at home — almost anywhere you are.

How? With the AT&T Calling Card, AT&T USADirect® Service and AT&T World Connect® Service. With worldwide teleconferencing, message, multilingual interpreter, and facsimile services. With access to AT&T

Directory Assistance in the U.S. And with communications experience that dates from the dawn of the century.

If you are one of nearly three million Americans living outside the U.S., or an international traveler from any country, you'll find us almost anywhere you go. Ready to put you in touch with your office, your clients, your home, your family and friends. Quickly and simply. At reasonable prices, with the personal service that has made AT&T a legend in the industry.

### AT&T Customer Service

You have access to AT&T Customer Service virtually anywhere in the world giving you the same high levels of service we provide in the United States. If you find you need help with any of the services highlighted in this insert, there is a customer service representative to help you. Customer Service telephone numbers are listed at the end of this insert.



## The AT&T Calling Card: Your Passport to AT&T's World of Global Communications Services

Your passport lets you travel the world. Your AT&T Calling Card helps you stay in touch with it. Almost anywhere you live, work or travel, whatever your citizenship, you can use your AT&T Calling Card to:

- Charge calls between more than 80 different countries outside the U.S.
- Charge calls to the U.S.<sup>1</sup> — from more than 170 countries and locations
- Charge calls to more than 280 countries and locations — from the U.S.<sup>1</sup>
- Charge calls within the U.S.<sup>1</sup>

Your AT&T Calling Card is simple to use and very convenient.

There is little need to worry about foreign coins, currency or exchange rate calculations when you place an international call. A full accounting of each call you make is provided on a simple, easy to understand, monthly statement<sup>2</sup>. And please remember that your lifetime AT&T Calling Card is also good for any AT&T calls that you make in the United States.

### The AT&T Calling Card Difference

The AT&T Calling Card is your passport to AT&T's global communications network. It costs nothing to get the card — you pay only for the calls you make<sup>3</sup>. There are no annual "membership" fees, and there is no expiration date. It's good for life. And you can get an additional card for a family member.

### Your Billing Options

AT&T will be happy to bill either your American Express,<sup>4</sup> VISA,<sup>5</sup> MasterCard,<sup>6</sup> Access,<sup>7</sup> Eurocard<sup>8</sup> or JCB<sup>9</sup> account — whichever you prefer. All of your AT&T Calling Card charges will be itemized<sup>2</sup> with the numbers you called during the billing period, and the time and charges for each call.

### How to Apply for the AT&T Calling Card

Simply fill out the application on the back page of this section and mail it back to the address provided.

1 All 50 states, Puerto Rico and the U.S. Virgin Islands.

2 Billing detail available in most countries.

3 Your credit card provider may charge interest and fees in conformity with the terms of your agreement with them.

4 Plan not available in all countries.

5 Japan only.

## Using Your AT&T Calling Card Around the World

Like your passport, your AT&T Calling Card is a unique, distinct, and personal identifier — with a set of numbers that lets you charge calls almost anywhere. Although charge policies and procedures vary from country to country, the following reminders will help you place your calls quickly and efficiently.

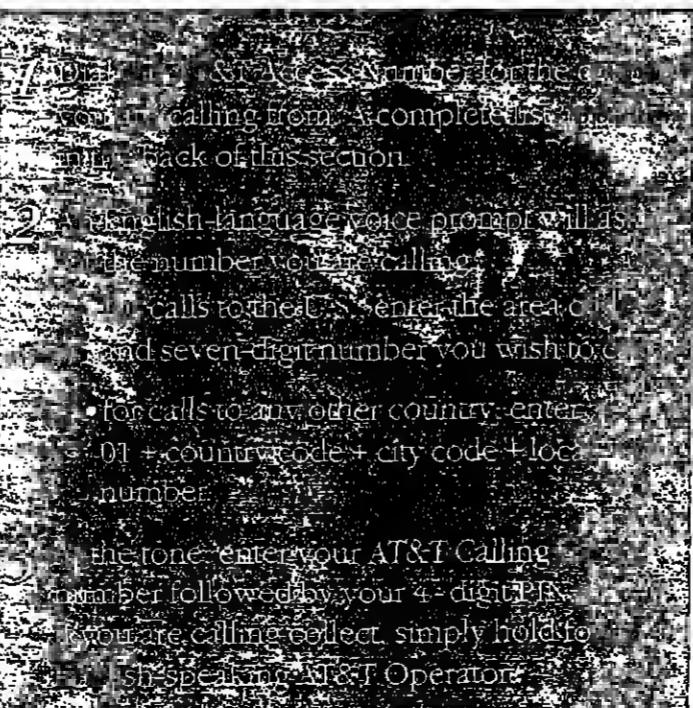
### Your AT&T Calling Card — Unique, Distinct and Personal

### Using Your Calling Card from Outside the U.S.

#### AT&T USADirect® Service and AT&T World Connect® Service

All you need is your AT&T Calling Card and the AT&T Access Number to call the U.S. quickly and easily from more than 130 countries using AT&T USADirect® Service. You can also call between more than 80 countries using AT&T World Connect® Service. And there are no language barriers. You can always reach an English-speaking AT&T Operator, and all announcements are recorded in English. And placing the call? Well, that's as simple as 1-2-3.

#### USADirect and World Connect Calling Instructions



The main number in the center of the card in larger type is your AT&T Calling Card number. This, along with your 4-digit PIN (Personal Identification Number, which is provided when you receive your Calling Card), will be used for most of the calls you make.

In countries where USADirect Service is not yet available, you can still use the AT&T Calling Card when you call the U.S. Ask the local international operator to place your call, and bill the charges to your Calling Card. Use your International Number and your Authorization Code, indicated on the bottom of your Calling Card.

#### Calling from Hotels

Be sure you have an outside line before you dial the AT&T Access Number. Please note that some hotels block access to USADirect and World Connect Service, and may add surcharges to the cost of the calls you place through the hotel. If you cannot reach AT&T from your hotel, you may wish to use a public telephone instead. If you have any doubts about surcharge policies at your hotel, check with the front desk.

AT&T has worked with hotels and hotel chains around the world for more than 20 years to provide quick, easy access to the AT&T network.

#### Calling from Public Telephones

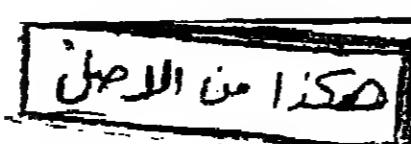
Dial the AT&T Access Number. In some countries public phones require coins or phone cards to obtain a dial tone. Phone cards may be purchased at post offices, and at many hotels and newsstands.

#### Calling from a Special USADirect Telephone

Special AT&T USADirect telephones have been conveniently placed in heavily traveled international locations such as: airports, cruise docks, tourist centers, and major hotels. Just lift the handset, or press the special button, and you will be connected to the AT&T Operator or voice prompt. These phones can also be used to place World Connect calls.

#### Calling from a 3C Phone in Europe

3C telephones in Europe now accept the AT&T Calling Card and provide direct access to AT&T USADirect® Service and AT&T World Connect® Service. Like AT&T's special USADirect telephones, they are conveniently located for international travelers — in airport business class lounges, hotel lobbies, conference and exhibition centers.



JPM 1150

## Additional Features Available through AT&T USADirect<sup>®</sup> Service and AT&T World Connect<sup>®</sup> Service

Wherever you can take your AT&T Calling Card, you can enjoy a number of advanced and productive telecommunications services available through AT&T USADirect<sup>®</sup> Service and AT&T World Connect<sup>®</sup> Service. Simply dial the AT&T Access Number and you can take advantage of any of the features described here.

### Conference Calling

AT&T TeleConference Service lets you conference with people from 3 to over 500 locations in more than 270 countries and locations worldwide, as long as one conferee is located in the U.S.

**Benefits...** you can conduct meetings, expedite decisions as though you were in the office, get a group together on a moment's notice, schedule conference calls in advance.

**Instructions...** dial the AT&T Access Number, dial or ask for 800 232-1234 and enter your AT&T Calling Card number and 4-digit PIN. AT&T TeleConference Service charges and your USADirect call will be billed separately.

For more information on AT&T TeleConference Service, dial us through USADirect Service at 800 232-1234.

### Making Consecutive Calls

The USADirect and World Connect Sequence Calling feature allows you to place up to 10 consecutive calls without re-dialing the access or Calling Card numbers for each call.

**Benefits...** with less dialing and less waiting, you save time and hotel surcharges on each additional call you place.

**Instructions...** Use a touch-tone compatible telephone and bill to your AT&T Calling Card. Place your first call in the normal fashion. When you have finished your conversation and your party hangs up — simply press # and follow the simple voice prompts. If you are calling from a rotary phone, wait on the line and an AT&T Operator will place your next call. Standard USADirect or World Connect prices for each sequence call will be itemized separately on your statement.\*

### 800 Number Connections

You can also use USADirect Service to reach 800 numbers in the U.S.

**Benefits...** this means you can access the services offered by many U.S. travel agents, credit card companies, and other types of businesses that use 800 service.

You can also access the multitude of telecommunications services that AT&T provides through 800 numbers in the U.S.

**Instructions...** dial the AT&T Access Number for the country you are in, dial or ask for 800 and the seven digits of the number you wish to reach, and enter your Calling Card number and PIN. Please note that although these U.S. numbers carry the 800 prefix, they are not free when called from outside the U.S. AT&T USADirect<sup>®</sup> Service prices apply for the duration of your call.

### Voice Messaging

AT&T True Messages<sup>SM</sup> allows you to record a three-minute message in your own voice, and have it delivered to more than 170 countries and locations including the U.S. — on the time and date you specify up to seven days following the message recording. In the event there is no answer, we try for up to six hours to get your message through. If the message cannot be delivered within this time, you pay only for your USADirect call. There is no charge for attempting to deliver your message.

**Benefits...** compensates for time zone differences — very valuable when you're on the move, when you can't reach someone, when you can't leave a callback number.

**Instructions...** dial the AT&T Access Number for the country you are calling from, dial or ask for 800 562-6275 and enter your Calling Card number and 4-digit PIN. Or, after a busy or no answer on a number you are calling, press # 1 2 3. Wait momentarily, and you will automatically be connected to AT&T True Messages<sup>SM</sup> (if you're calling from a rotary phone, after the busy signal simply hold for an AT&T Operator). AT&T True Messages charges and your USADirect call will be billed separately.

For more information on AT&T True Messages<sup>SM</sup>, dial us through AT&T USADirect Service at 800 562-6275 and stay on the line past the voice prompts for a customer service representative.

### Translation Service

With AT&T Language Line<sup>®</sup> Services, the skills of a professional interpreter are at your disposal, on a moment's notice, in 140 languages, 24 hours a day, 7 days a week.

**Benefits...** avoid the language difficulties that can lead to misunderstandings, missed business opportunities, or needless delays.

**Instructions...** dial the AT&T Access Number, dial or ask for 800 528-5888 and enter your Calling Card number and 4-digit PIN. AT&T Language Line Services charges and your USADirect call will be billed separately.



For more information on AT&T Language Line Services, call us through AT&T USADirect<sup>®</sup> Service at 800 528-5888.

### Advanced Faxing Services

Subscribe to AT&T Enhanced FAX and you will have the ability to fax documents to multiple locations in over 170 countries and locations including the U.S. — when you are traveling abroad. You can also use USADirect Service to retrieve faxes that have been sent to your AT&T Enhanced FAX mailbox in the U.S.

**Benefits...** you will be able to stay in touch, fax documents to multiple locations at one time and you can receive your faxes almost anywhere you travel.

**Instructions...** to use AT&T Enhanced FAX use a touch-tone compatible telephone or a facsimile machine, dial the AT&T Access Number for the country you are in, dial or ask for 800 232-9674, and enter your Calling Card number and 4-digit PIN. AT&T Enhanced FAX charges and your USADirect call are billed separately.

To subscribe to AT&T Enhanced FAX or for more information, call us through AT&T USADirect<sup>®</sup> Service at 800 242-6005.

### AT&T U.S. Directory Assistance

U.S. Directory Assistance will give you the numbers you need in the States.

**Benefits...** fast, accurate, U.S. telephone information when you're traveling or living abroad.

**Instructions...** dial the AT&T Access Number, dial or ask for the Area Code + 555-1212 and enter your Calling Card number and 4-digit PIN. A Directory Assistance charge of \$3.25 applies.\*\*

\* Billing detail available in most countries.

\*\* Rate effective as of October 1994. All rates subject to change.

## Using Your Calling Card from within the U.S.

In the United States, (including Puerto Rico and the U.S. Virgin Islands) you can charge your calls to more than 280 countries and locations.

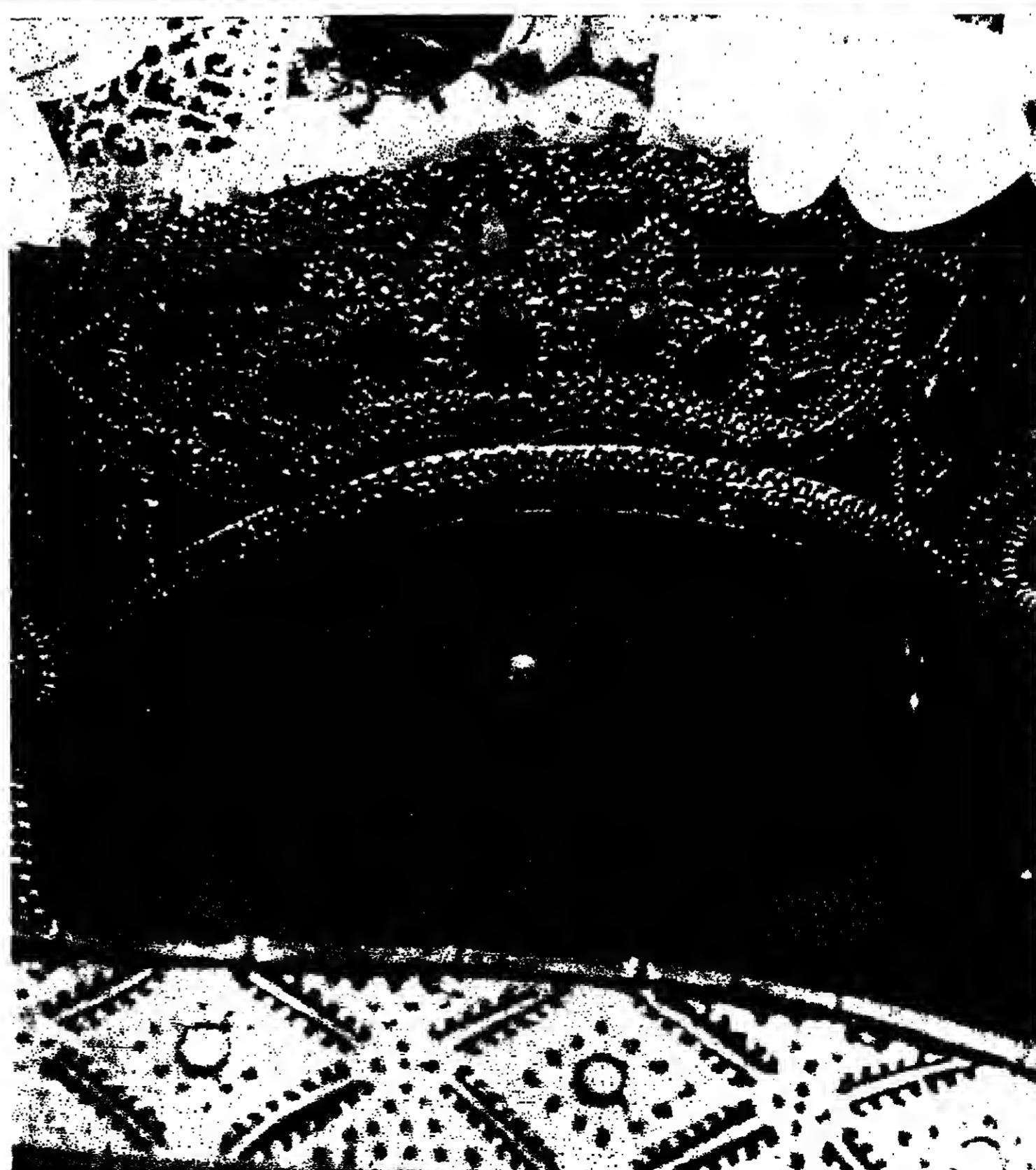
- 1 Dial 1 800 225-5288 (1 800 CALL ATT<sup>SM</sup>) to reach the AT&T network.
- 2 You will hear a tone and the recorded announcement, "AT&T." Press "1".
- 3 Listen for "AT&T" again. Dial 01 + country code + city code + local number you are calling.
- 4 Listen for "AT&T" again. Enter your AT&T Calling Card number and 4-digit PIN.

If you need assistance in placing a call when in the U.S., dial toll-free 1 800 225-5288.

In the United States, you can charge all your interstate and local calls.

- 1 Dial 1 800 225-5288 (1 800 CALL ATT<sup>SM</sup>) to reach the AT&T network.
- 2 You will hear a tone and the recorded announcement, "AT&T." Press "1".
- 3 Listen for "AT&T" again. Dial the area code + local number you're calling.
- 4 Listen for "AT&T" again. Enter your AT&T Calling Card number and 4-digit PIN.

If you need assistance in placing a call when in the U.S., dial toll-free 1 800 225-5288.



# AT&T Access Numbers

AT&T USADirect® Service and AT&T World Connect® Service Access Numbers are listed on this page. Please check the footnotes before dialing the Access Number in the country you are calling from. Countries where World Connect Service is available are shaded with gray bars.

We are continually adding new countries to the list. If a country you are living in or intend to visit is not listed here, dial the Access Number for the country you are in and ask the AT&T Operator to connect you to USADirect Customer Service.

To receive your free wallet of AT&T Access Numbers, just dial the Access Number for the country you are in and ask the AT&T Operator to connect you to USADirect Customer Service.

Country	Access Number
AMERICAN SAMOA	633-2-USA
ANGUILLA	1-800-872-2881
ANTIGUA (Public Card Phones)	#1
ARGENTINA	001-800-200-1111
ARMENIA †	8-0-74111
AUSTRALIA	1-800-581-011
AUSTRIA ††	022-903-011
BAHAMAS	1-800-572-2881
BAHRAIN	800-001
BARBADOS	1-800-572-2881
BELGIUM	0-800-100-10
BELIZE	555
BERMUDA	1-800-872-2881
BOLIVIA	0-800-1112
BRAZIL	000-800-0
BRITISH VI.	1-800-872-2881
BULGARIA	00-1800-0010
CANADA	1-800-575-2222
CAPE VERDE ISLANDS	112
CAVAN ISLANDS	1-800-872-2881
CHILE	1-28-0-0288
CHINA, PRC	10811
COLOMBIA	880-11-0010
COOK ISLANDS	09-111
COSTA RICA	114
CROATIA †	99-38-0011
CUBA (Guantanamo Bay)	935
CYPRUS	080-900-010
CZECH REPUBLIC	00-420-00101
DENMARK	8001-0010
DOMINICA	1-800-872-2881
DOMINICAN REPUBLIC ††	1-800-872-2881
ECUADOR	119
EGYPT (Cairo)	510-0200
EL SALVADOR	02-510-0200
Fiji	004-890-1001
FINLAND	8800-100-10
FRANCE	19-0011
GABON	00-0-001
GAMBIA	00111
GERMANY	0130-0010
GHANA	0191
GIBRALTAR	8800
GREECE	0-800-1311
GRENADE †	1-800-872-2881
GUAM	018-872
GUATEMALA	190
GUYANA †	165
HAITI †	001-800-872-2881
HONDURAS	123
HONG KONG	800-1111
HUNGARY	00-0-800-0111
ICELAND	999-001
INDIA	000-117
INDONESIA	001-801-10
IRELAND	1-800-550-000
ISRAEL	177-100-2727
ITALY	172-1011
IVORY COAST	0-111-11
JAMAICA ††	0-800-872-2881
JAPAN	0039-111
JORDAN	18-800-000
KENYA †	0800-10
KOREA	009-11
KOREA	114

Country	Access Number
KOREA	550-HOME
KUWAIT	800-288
LEBANON (Beirut) (Outside Beirut)	626-891 01-326-501
LIBERIA	797-797
LIECHTENSTEIN	155-00-11
LITHUANIA	8-0-196
LUXEMBOURG	0-800-0111
MACAO	0800-111
MALTA	99-800-4288 800-0011
MEXICO	95-800-462-4240
MONACO	19-0011
MONTSERRAT	1-800-872-2881
MOROCCO	002-11-0011
NETHERLANDS	06-022-0111
NETHER/ANTILLES	001-800-872-2881
Bonaire	
Curaçao	
Saba	
St. Eustatius	
St. Maarten	
NEW ZEALAND	000-911
NICARAGUA (Managua)	174
NORWAY	800-190-11
PALAU	02288
PANAMA	109
PANAMA (Canal Zone)	281-0109
PARAGUAY † (Asuncion City)	0081-800 191
PERU †	105-11
PHILIPPINES	0-010-430-0111
POLAND	05017-1-288
PORTUGAL	0-800-011-77
QATAR	01-800-4288
ROMANIA	155-5042
RUSSIA † (Moscow)	1-800-872-2881
ST. KITTS/NEVIS	1-800-872-2881
ST VINCENT	1-800-872-2881
SAINPAN †	235-2872
SAN MARINO	172-1011
SAUDI ARABIA	1-800-10
SERRA LEONE	1100
SINGAPORE	800-0111-111
SLOVAK REPUBLIC	00-420-00101
SOUTH AFRICA	0-800-99-0123
SPAIN	900-99-00-11
SRI LANKA	430-430
SURINAME	156
SWEDEN	020-795-511
SWITZERLAND	155-00-11
SYRIA	0-801
TAIWAN	0080-10288-0
THAILAND	0019-991-1111
TURKEY	00-800-12277
TURKS AND CAICOS	1-800-872-2881
U.A.E. ■	800-121
UKRAINE	8-0-100-11
UNITED KINGDOM	0500-89-0011
URUGUAY	00-0410
VEZNEZUELA	80-0-1-120
ZAMBIA	00-899
ZIMBABWE	110-899

\* Public phones require deposit of coin or phone card for dial tone. \*\* Dial 010-400-0111 from public phones. \*\*\* Available from public phones. \*\*\*\* From payphone. \*\*\*\*\* From coin phone. ^ Only push the red button, wait for dial tone and then dial. ^> From public phones. ^>> When calling from public phones, use phones marked Ladatel. † May not be available from every phone. †† Collect calling only. ††† Public phones require local coin payment through call duration. ♦♦ Not available from public phones. ♦♦♦ From U.S. Military Bases only. ♦♦♦♦ Not yet available from all areas. ♦♦♦♦ Available from public phones only. ■ World Connect calls can be placed to, but not from, this country. \* Calling available to most European countries.

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Surname _____				
First Name _____				
Street _____				
City/Province: _____		Postal Code: _____	Country: _____	
Office Telephone Number (Country Code, City Code & Local Number): _____				
Home Telephone Number (Country Code, City Code & Local Number): _____				
Please charge my AT&T calls to my (check one): <input type="checkbox"/> American Express® Card <input type="checkbox"/> Japan Credit Bureau (JCB) - Japan Only <input type="checkbox"/> MasterCard® - U.S. Banks <input type="checkbox"/> MasterCard, Access®, Eurocard® - Non-U.S. Banks <input type="checkbox"/> VISA® - U.S. Banks <input type="checkbox"/> VISA - Non-U.S. Banks				
My Bank Credit Card (or American Express® Card) Number: _____				
Expiration Date: Month/Year: _____				
Language of preference. AT&T will provide dialing instructions in the language of preference whenever possible.				
X Signature _____ Date: _____				
Please print full name _____				
Do you want an additional Card for a family member? <input type="checkbox"/> Yes <input type="checkbox"/> No				
For AT&T Use Only: Auth. Code: _____ Date: _____ Initials: _____ EW0987W94				

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THE TRIB INDEX

WALL STREET JOURNAL  
A Tax

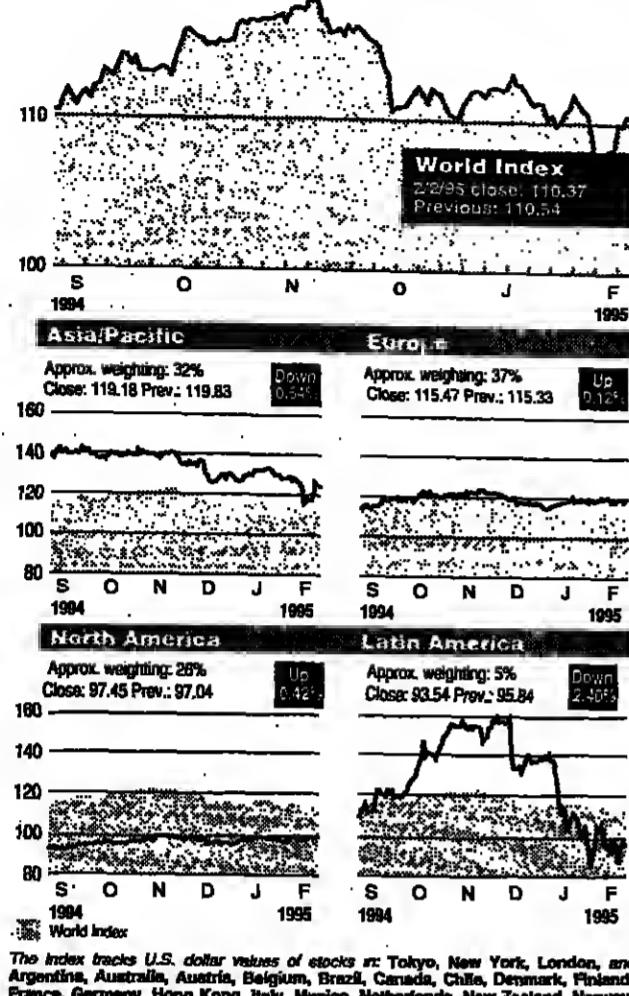
CURRENT



**THE TRIB INDEX: 110.37**

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

120



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Amsterdam, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the top 20 issues in terms of market capitalization, otherwise the ten top issues are tracked.

**Industrial Sectors**

	Ths. close	Prev. close	% change		Ths. close	Prev. close	% change
Energy	113.97	114.14	-0.15	Capital Goods	109.91	109.82	+0.08
Utilities	116.74	116.82	+0.30	Raw Materials	131.16	132.02	-0.65
Finance	110.05	110.82	-0.58	Consumer Goods	103.09	102.72	+0.36
Services	108.90	108.25	-0.33	Miscellaneous	113.66	113.24	+0.37

For more information about the Index, a booklet is available free of charge. Write to TRIB Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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**WALL STREET WATCH**

**A Tax Loophole That's About to Close**

By Floyd Norris

New York Times Service

**N**EW YORK — One of Wall Street's better tax dodges seems likely to end soon. But it looks like U.S. investors can still get in on it.

It now appears that the U.S. Internal Revenue Service will soon issue final rules capping the tax benefits of the tactic, which uses equity swaps. But those rules are not expected to apply to equity swaps entered into before they are issued, creating a window of opportunity.

Equity swaps, one of the many derivative securities that the inventive minds of Wall Street have created in recent years, involve the stock's owner giving up all the economic advantages and risks of owning that stock.

In return, the investor gets the income from an investment of the same value, minus some fees for the bank that puts together the swap. The tax advantage comes from the fact that the IRS does not regard the swap of a stock as being the same as selling it.

That can now be of great benefit to an investor who has a substantial short-term capital gain in a stock but is worried that the stock is due for a fall. It effectively enables the investor to close out the position without immediately triggering a tax liability.

That liability will come only after the original purchase is more than a year old, and therefore qualifies for long-term capital-gains treatment.

Under current law, long-term capital

gains are taxed at a rate no higher than 28 percent, while short-term gains — on positions held for one year or less — are taxed as ordinary income at rates up to 39.6 percent.

Also under current U.S. tax rules, the IRS figures that the long-term time clock keeps ticking when a swap is entered

**It hasn't been easy to use equity swaps unless you're a big holder; but someone with a large gain in a stock that now looks shaky might want to look into the possibility.**

into. In contrast, the general rule is that when an investor hedges a position, such as by purchasing a put option providing the right to sell a stock at a particular price, that turns off the clock.

It has never been clear why equity swaps should be treated differently, but they have been.

"This has been a good way to turn a short-term capital gain into a long-term one," said Robert Gordon, president of 21st Securities, a New York brokerage.

But in 1993 the IRS proposed rules to change that. And now U.S. Treasury

Department officials, speaking on condition of anonymity, say new rules will soon be issued. They will not say how those rules will differ, if at all, from the 1993 proposal, but it seems likely that the swap provision will survive.

Here is how the swaps work now. If an investor had purchased, say, stock in Digital Equipment Corp. last summer at \$20 a share, the profit now, with the stock at about \$35, would be 75 percent. If that investor was in the top tax bracket and decided to sell the shares, 39.6 percent of the profit would be taxed away.

If, on the other hand, the investor delays selling until a year and a day have passed, the lower long-term capital gains rate of no more than 28 percent would apply. The risk, of course, is that Digital's price might fall by then.

If that investor is nervous about Digital, he could enter into an equity swap now, timing the swap to expire after the year is up. Then he would pay the lower tax rate — and the rate might become even less than 28 percent if the Republicans in control of Congress keep their campaign promise to cut capital-gains taxes.

It has not been easy to enter into equity swaps without a large amount of stock — this is not for the small investor — but someone with a big gain in a stock that now looks shaky might want to look into the possibility.

Time, though, is of the essence. The new rules are expected to change the tax treatment of equity swaps entered into after the new rules are issued.

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**CURRENCY & INTEREST RATES**

**Cross Rates**

Per \$

Currency

American peso

Austrian schill

Austrian schill

Belgian franc

Canadian dollar

Chinese yuan

Czech koruna

Danish krone

Egyptian pound

French franc

Forward rates

German mark

## MARKET DIARY

## Technology Issues Lead Stocks Higher

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stock prices rose Thursday as advances by technology shares overcame concern that the Federal Reserve Board was not finished raising interest rates.

The Dow Jones industrial average closed 23.21 points higher, at 3,870.77. On the Big

## U.S. Stocks

Board, advancing issues outweighed declining issues by a 4-to-3 ratio on volume of 323 million shares.

The benchmark 30-year Treasury bond rose 3/32, to 97 6/32, to yield 7.74 percent, down from 7.75 percent on Wednesday.

Technology issues gained for a second day amid optimism that rising interest rates had not slowed spending by consumers and businesses on computers, facsimile machines and cellular telephones.

The move by companies to upgrade existing computers with ones using Intel's top-of-the-line Pentium microprocessor is driving purchases of computers, analysts said.

Texas Instruments gained 1%, to 71 1/4, LSI Logic Corp. jumped 1%, to 45 1/2, and Loral rose 3%, to 40 1/4. IBM rose 3%, to

74 1/2, and Apple Computer added 1%, to 41 1/4.

"Demand seems to be fairly steady," said Alan Ackerman, market strategist at Reich & Co. "It helps enhance profits when consumer confidence is good."

EMC was the most active issue on the New York Stock Exchange and was up 14, at 174, recovering from concern over the computer maker's 1995 sales.

Ausys Systems rose 1, to 9 1/4 after Morgan Stanley upgraded the issues of the company, which makes client/server computer systems.

Shares of Boeing gained 3%, to 46 1/4, after the aerospace company said it planned to cut 7,000 jobs. It has already cut 26,000 jobs in the past two years.

"Companies went through strong belt-tightening in 1993, and that paid off in good 1994 profits," said Louis Todd, a partner at J.C. Bradford & Co.

Environmental-control companies rose after Browning-Ferris Industries posted better-than-expected earnings.

U.S. retailers posted strong sales gains for January, with Sears gaining 1, to 46 3/4, Dayton-Hudson adding 2, to 72 1/2, and Wal-Mart jumping 4%, to 23 1/2.

(Bloomberg, AP)

## Dollar Holds Steady Ahead of Jobs Report

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was steady in late trading Thursday ahead of the release Friday of a U.S. employment report.

The monthly jobs report from the Labor Department is consid-

ered one of the best gauges of the economy's strength.

A strong employment report "should benefit the dollar by instigating another rate hike," said Tom Hoge, a trader for Bank of New York. Interest rate rises often help the dollar because they increase the returns on U.S. deposits.

The dollar slipped to 1.5183 Deutsche marks from 1.5183 D.M. It rose to 99.425 yen from 99.200.

The Federal Reserve Board raised short-term interest rates Wednesday by half a percentage point. Major U.S. commercial banks followed by raising

their prime lending rate to 9 percent from 8.5 percent.

Against other currencies, the dollar rose to 1.2848 Swiss francs from 1.2846 at the close Wednesday. It edged lower to 5.2650. The pound slipped to \$1.5828.

There was some anxiety in the market about how Mexico will emerge from its financial crisis. Win Thin, an analyst at the research firm IDEA, said: "If Mexico doesn't do something in the next couple of weeks we're going to see some more selling pressure," on the dollar.

The peso weakened Thursday. The dollar bought 5,4550 pesos, compared with 5,3750 on Wednesday.

Hillel Waxman, manager of current trading for Bank Leumi Trust, said: "The employment report is 'key for the dollar,' because the Fed left the door open for another increase."

Lawrence H. Summers, undersecretary of the Treasury for

## PESO: Officials to Discuss Mexico's Bailout

Compiled from Page 9

weekend that the figure might be as low as \$2 billion.

Paul F. Horvitz of the International Herald Tribune reported from Washington:

international affairs, said he had no doubt that the Mexican liquidity crisis will fade quickly if Mexico could attract longer-term investment, pursue disciplined economic policies, further ease government restrictions and make the operations of its economy more open to public view.

"Fundamentally, Mexico is a solvent country," Mr. Summers said in a speech to the U.S. Chamber of Commerce, two

days after an international consortium put up \$50 billion in credits to halt the collapse of the peso and Mexican equities.

"There is no question that it has the capacity to grow and to meet its obligations."

But Mr. Summers cautions that the real test would lie with the ability of President Ernesto Zedillo Fonce de Leon to further liberalize the Mexican economy.

## Charterhouse Cable TV Deal

Compiled by Our Staff From Dispatches

NEW YORK — Charterhouse Inc. said Thursday that it had acquired for \$112 million U.S. Southeastern cable TV systems with 63,000 subscribers from Crown Media Inc., a Hallmark Cards subsidiary. The company already had 100,000 subscribers in the region. "We expect to close additional transactions in 1995," Chairman Merrill Halperin said.

(Bloomberg, Dow Jones)

## WORLD STOCK MARKETS

Agency France Presse Feb. 2

Close Prev.

Amsterdam

ABN Amro Hld 50.80 50.40

ACF Nodules 36.50 36.37

Alcoa 12.50 12.40

Ahrend 52.50 52.40

Ahlaff-Nobel 12.20 12.10

Alstom-Westen 45.50 45.70

CSM 45.50 45.70

Deutsche 14.50 14.50

Elsevier 12.20 12.20

Fokker 12.20 12.20

Freight AMEV 44.40 44.20

Giro-Brocades 44.40 44.20

HSB 44.40 44.20

Heineken 22.10 22.50

Hollandia 74.50 74.70

Huhtala 40.50 40.70

IHC Corland 40.50 40.70

ITC Nodules 17.20 17.20

KLM 47.40 47.40

KPN 32.30 32.50

Landbouw 27.00 27.20

LECO 27.00 27.20

Philips 47.40 47.40

Unilever 27.00 27.20

Vattenfall 27.00 27.20

Verhaeghe 27.00 27.20

Veritas 27.00 27.20

Willy 27.00 27.20

Witteveen 27.00 27.20

# KLM Forecasts Further Gains As Profit Soars

Compiled by Our Staff From Dispatches  
AMSTERDAM — KLM Royal Dutch Airlines said Thursday that its profit jumped in the quarter ended Dec. 31 and forecast a substantially improved result for the current quarter.

The carrier said net income in the third quarter of its financial year jumped to 83 million guilders (\$49 million), or 89 Dutch cents a share, from 15 million guilders, or 23 cents a share, a year earlier, when it had fewer shares outstanding. It cited increased traffic amid an industry recovery, as well as more efficient use of its aircraft.

KLM also said it expected a considerable improvement in earnings for its fourth quarter, which ends in March and is normally the airline industry's weakest season.

KLM, which is 38.2 percent-owned by the Dutch government, had a loss of 156 million guilders in the previous year's fourth quarter.

Its third-period profit was in line with average forecasts of about 80 million guilders.

KLM said it achieved its third-quarter net after paying 43 million guilders in taxes.

Economic recovery in Europe and the United States had a favorable impact on traffic and income, KLM said, and its "continuing effort to bring down unit costs" helped.

Earnings for the first nine months rose to 559 million guilders, or 6.1 guilders a share, from 260 million guilders, or 4.39 guilders a share. (Bloomberg, AFX)

The upbeat report and forecast are not expected to persuade many analysts to raise their projections for the company, however, although Cees Haaspoort, an airline analyst with Stroeve Effektenbank, said this week's news that KLM would raise its freight rates would "positively affect" his assessment of the airline's prospects for the next fiscal year.

KLM said pretax profit before extraordinary items was 130 million guilders, compared with just 7 million guilders a year earlier. Operating profit rose to 193 million guilders from 86 million guilders.

Traffic volume rose 11 percent in the third quarter as KLM's capacity increased 7 percent. This resulted in an increase in its load factor, or percentage of seats filled with paying passengers, of 3 percentage points, to 75.2 percent.

(Bloomberg, Reuters, AFX)

## Air France Sabena Sale

Air France has decided "in principle" to sell its 37.5 percent stake in Sabena, and Swissair is continuing to talk about acquiring a large minority stake in the Belgian carrier, news agencies reported from Zurich.

An Air France spokesman said talks would be held to determine the terms of a Sabena sale. She declined to elaborate.

A Swissair spokesman, meanwhile, said its talks were continuing even though one element of the negotiations, Sabena's plans to move its pilots to Luxembourg, may have failed. (Bloomberg, AFX)

# Ukraine Enters the Fray But Privatization Plan Starts Slowly

By James Rupert  
Washington Post Service

KIEV, Ukraine — The pregnant woman stands in profile, hands on her belly. She gazes from the poster above the legend: "Let's take care of the new generation. Privatization: a step to well-being."

With slick, Western-style ads on posters and television, Ukraine began privatizing its Soviet-style economy last week, offering shares in the first of what officials said would be about 8,000 state-owned firms to be auctioned off over two years.

Officials here said the auction would sell to Ukraine's citizens about 75 percent of its state-run industry, permit significant foreign investment and lead to the activation of a stock market.

Western diplomats praised the auction, which was partly designed and largely funded by the U.S. Agency for International Development and TACIS, the European Union's agency for aid to the former Soviet states. U.S. Ambassador William Miller declared it a "concrete step" in transforming Ukraine into a democracy and market economy.

Among the former Communist nations of Eastern Europe, Ukraine has been one of the slowest to reform its economy. But officials here said the sell-off of state firms would rapidly change that, and they said the three-year delay in privatization since the collapse of the Soviet Union had given them a chance to learn from mistakes made by neighboring states.

The auction's opening just beat Tuesday's deadline agreed on by Ukraine, the World Bank and other financial institutions as a condition for continuing to support Ukraine's depressed post-Soviet economy.

While officials' hopes are high, the auction has begun slowly. The government is now offering shares in about 60 state-run companies in five provinces — including glass and concrete plants, a granite quarry, a Kiev hotel and a cheese warehouse — but there has been no rush to buy.

The government's ad campaign has exhorted those provinces' 3 million residents to pick up the privatization certificate — each Ukrainian citizen is allotted one — necessary to bid in the auction.

But despite the advertising, the program "still is quite a mystery to people in the villages," said Alexander Sambrus, a political reporter for the Ukrainian business newspaper *Detovoye Novosti*. And in cities and towns, he said, "most people are quite indifferent" because of a broad public perception that "most of the best companies in which to invest will have a special, closed status."

Well-educated Ukrainians and local newspaper articles have frequently voiced an assumption that one of Ukraine's politically powerful constituencies — criminals, bureaucrats or directors of the state companies — will somehow wind up in control of the most profitable firms.

Public doubts also have been spurred by the failure of a privatization program last year. It was so complicated that few Ukrainians could successfully buy in, and Parliament then suspended it.

Yury Spektorov, a Ukraine specialist with the U.S. consulting firm Bain & Co., conceded that Ukrainians were warming slowly to the auction. Mr. Bain has been working alongside Crédit Commercial de France and the American accounting firm Price Waterhouse to help organize and promote the auction.

But Mr. Spektorov expressed confidence that as more firms are put on the block each month, enthusiasm will grow. "Until now, people have been offered only intangibles," he said. "When they see physical certificates that can offer them something free" — and, especially, when their own employers are up for sale — "people will respond."

Ukraine's prime minister, Leonid Kuchma, initiated the new privatization program after he was elected last summer, about the time the earlier privatization plan was collapsing. Mr. Kuchma fired the head of the State Property Fund, which was managing privatization, and appointed an aggressive pro-market economist, Yury Yekhanurov.

"He has made all the difference," said John Smith of Bain & Co., the U.S. consultancy firm, adding that Mr. Yekhanurov often had his staff working late and had made the personnel more accessible.

# Reuters And BSkyB Sign a Deal

Compiled by Our Staff From Dispatches

LONDON — A unit of News Corp., the media giant controlled by Rupert Murdoch, and Reuters PLC announced on Thursday an agreement to cooperate in the increasingly competitive global TV-news market. It was the second agreement between the two companies in less than two weeks.

British Sky Broadcasting Group PLC, the pay-television broadcasting service which is 40 percent owned by News Corp., said it would form an alliance with the British news service to provide television-news broadcasts internationally.

Under the deal, Reuters will supply and manage news gathering for Sky's 24-hour news channel and produce exclusive programs for the channel. BSkyB said Sky will keep editorial control of its programming.

At the end of January, Reuters announced a similar agreement with Fox Broadcasting Co. Fox is News Corp.'s U.S. network. The companies would not disclose financial terms for either deal.

About 70 million people in Britain and Europe currently have access to Sky News, the company said.

Mark Wood, executive director of Reuters, said: "This agreement will lead to a significant increase in the news-gathering resources we now commit to Sky News and provides a new opportunity for us to develop our program-making expertise."

BSkyB shares rose 2.5 pence to 258, while Reuters shares finished up 1 pence at 453. (Bloomberg, AFX)

# Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3300	2100
2200	3200	2000
2100	3100	1900
2000	3000	1800
1900 SON D.J.F. 1994	2900 SON D.J.F. 1994	1700 SON D.J.F. 1994
Exchange Index	Index	Index
Amsterdam AEX	Thursday Close	Prev. Close
Brussels Stock Index	7,102.10	7,077.32
Frankfurt DAX	2,045.25	2,048.60
Helsinki HEX	1,814.84	1,827.51
London Financial Times 30	2,303.30	2,268.60
London FTSE 100	3,024.70	3,017.20
Madrid General Index	284.94	283.96
Milan MIBTEL	10736	10762
Paris CAC 40	1,816.10	1,827.76
Stockholm SX 16	1,593.76	1,594.98
Vienna ATX Index	975.44	986.10
Zurich SSB	904.66	903.26

Sources: Reuters, AFP

International Herald Tribune

## Very briefly:

Metallgesellschaft AG plans to sue its former management board chairman, Heinz Schimmelbusch, and Meinhard Forster, its former chief financial officer, the company is to issue new shares to raise capital after two years of heavy losses.

Banco Bilbao Vizcaya SA, Argentina's Corp. Bancaria de España SA and Caja de Ahorros & Pensiones de Barcelona will raise their stakes in Telefónica de España SA to 2.5 percent each.

Banco Ambrosiano Veneto SpA shares gained more than 14 percent after they resumed trading following a suspension; the stock has benefited from rumors of bank takeovers.

Union des Assurances de Paris SA said sales rose 7 percent in 1994, to 151.6 billion French francs (\$29 billion).

Castrol Group PLC is in talks with potential buyers of the entire company or its U.S. coal-mining assets.

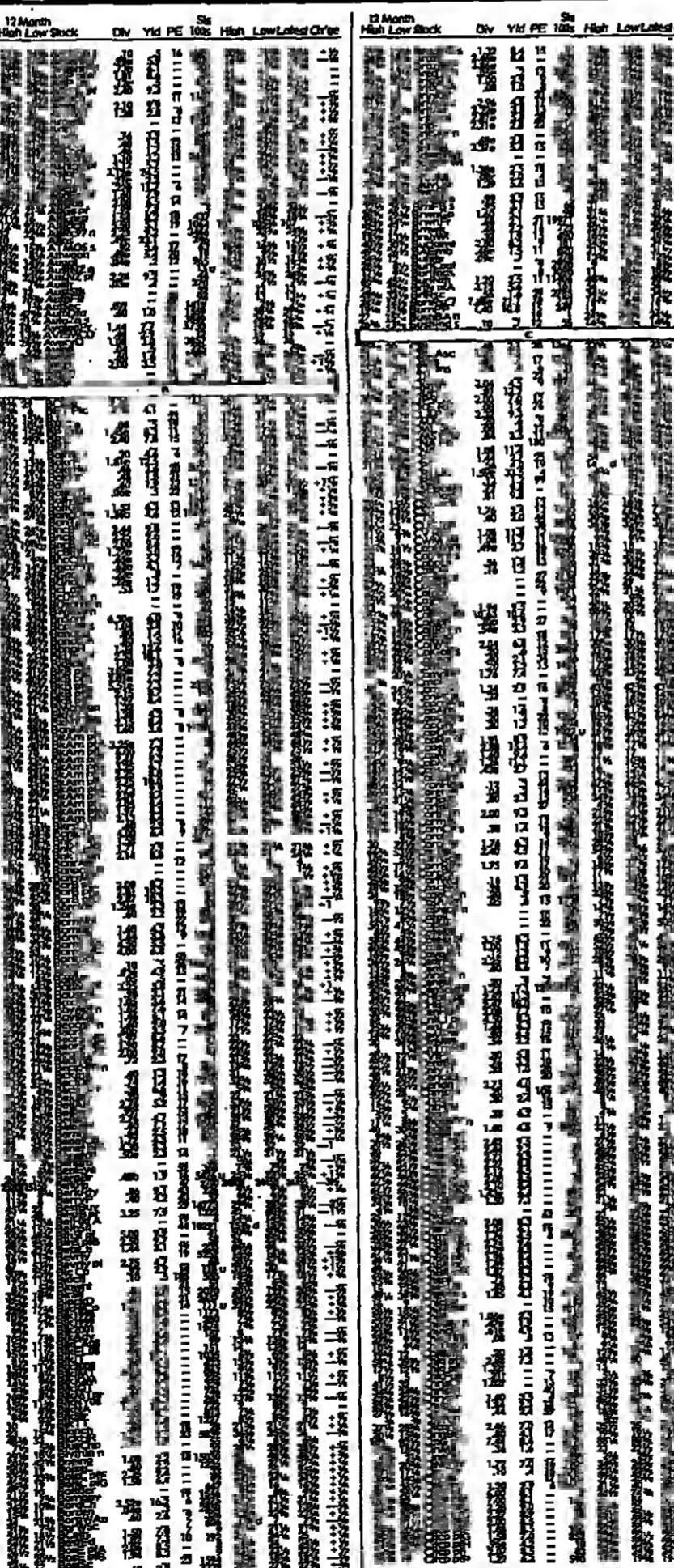
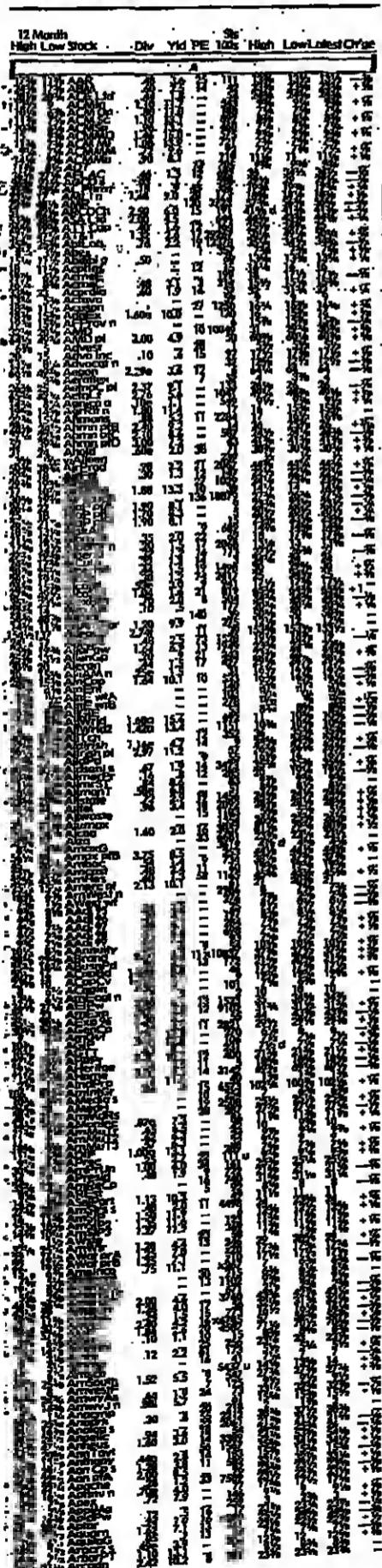
In France, January new car sales rose 21 percent to 156,300.

Euro Disney SCA promoted Steve Burke, 36, to the new positions of president and chief operating officer for the Disneyland Paris theme park.

AFP, AFX, Bloomberg

## NYSE

Thursday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press



Continued on Page 12

# German Software Firm Soars

By Brandon Mitchener  
International Herald Tribune

FRANKFURT — Shares of SAP AG, a German software company, soared Thursday after a strong earnings report, a "positive" analysts' meeting and a bullish recommendation from Germany's biggest bank.

SAP's common shares rose 87 Deutsche marks (\$57) a share, or 7.5 percent, to close at 1,250 DM on the Frankfurt Stock Exchange. Its preferred shares rose 8 percent to 1,085.

Although the value of the company's stock has almost tripled in the past year, some analysts said it would remain undervalued in comparison with its main international competitors even though it could gain a further 30 percent to 40 percent.

"Customers are looking for both common and preferred shares," said Michael Kuhlow, an adviser to institutional investors at Deutsche Bank AG. "The trading volume in both is quite high."

Deutsche Bank had been wary of the stock before the latest earnings, but SAP executives told analysts to expect higher sales in the years ahead as the company enters new markets.

Deutsche Bank also raised the company's earnings forecast twice in two days. It now expects SAP to earn 41 DM a share this year and 52 DM a share in 1996, compared with previous forecasts of 36 DM in 1995 and 44 DM in 1996.

Analysts also said SAP's price/earnings ratio of 21 was low by the standards of competing high-technology companies such as Oracle Systems Corp. in the United States.

On Tuesday, SAP reported a 92 percent in-

crease in profit to \$173.5 million on a sales increase of 66 percent to \$1.1 billion.

Most of the company's gains were attributed to the success of its R/3 client/server system, which has been installed at 2,400 sites worldwide in the two-and-a-half years since its introduction. Customers include many of the world's biggest blue-chip companies.

"The 1994 figures are impressive proof that we have considerably improved our leading edge in the worldwide market for business application software," Peter Frezel, managing director of SAP UK, said Tuesday.

"SAP is a model German company," said Charles Weldon, an American high-tech consultant based near Frankfurt. "In software, only Microsoft Corp. and Oracle have more power. SAP has broken into the client/server market and will significantly shape the software industry in the years to come," he said.

Analysts said part of the excitement surrounding SAP shares involved the likelihood of it being included in the DAX index of German blue-chip stocks, where membership is based on market capitalization.

"If it becomes a DAX stock, a lot of portfolio managers that have kept out of the stock so far will have to get into it," Mr. Kuhlow said.

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3





**NASDAQ**

**Thursday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000  
most traded National Market securities in terms of  
dollar value. It is updated twice a year.

**AMEX**  
American Express

**Thursday's Closing**  
Prices include the nationwide prices up to  
closing on Wall Street and do not reflect  
the New York Stock Exchange.

INTERNATIONAL HERALD TRIBUNE, FRIDAY, FEBRUARY 3, 1995

**Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 23 percent or more has been sold, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on 52 weeks of operation.**

**a — annual dividend.**  
**b — annual rate of dividend plus stock dividend.**  
**c — liquidating dividend.**  
**cld — called.**  
**d — new yearly low.**  
**e — dividend declared or paid in preceding 12 months.**  
**g — dividends in Canadian funds, subject to 15% non-residence tax.**  
**l — dividend declared after split-up or stock dividend.**  
**l — dividend paid this year, qualified, deferred, or no action taken at latest dividend meeting.**  
**l — \$1 dividend declared or paid this year, on accumulative basis with dividends in arrears.**  
**n — new issue in the past 52 weeks. The high-low range begins with the start of trading.**  
**nd — never delivered.**  
**P/E — price-earnings ratio.**  
**r — dividend declared or paid in preceding 13 months, plus stock dividends.**  
**4 — stock split. Dividend begins with date of split.**  
**sits — sales.**  
**1 — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.**  
**u — new yearly high.**  
**v — voting rights.**  
**vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.**  
**wd — when distributed.**  
**wi — when issued.**  
**ww — with warrants.**  
**x — ex-dividend or ex-rights.**  
**xdts — ex-distribution.**  
**ww — without warrants.**  
**y — ex-dividend and sales in full.**  
**ytd — yield.**  
**z — sales in full.**



# SPORTS

## 25 Years After 'Ball Four,' Baseball's Leper Is Still Talking

By Philip Crawford  
International Herald Tribune

**GREAT BARRINGTON**, Massachusetts — It is a frigid, winter-in-the-Berkshires night outside, but it is warm and cozy inside the Castle Street Cafe where, amid the puffy crush at the bar, there's a group of people clustered around one man.

He looks very familiar, at least to sports fans of a certain generation, but it's difficult to put your finger on who he is. Then you hear him say a couple of words — "strike zone" — and suddenly it hits you.

It's Benedict Arnold. The Disgrace to the Game. Or, most memorably, The Scandal Lepre.

Jim Bouton earned these sobriquets 25 years ago with the publication of one of the best-selling sports books ever written, "Ball Four," a diary of Bouton's 1969 season as a pitcher for the Seattle Pilots, who later became the Milwaukee Brewers, untilated readers with tales of what really went on in major-league locker rooms and bullpens.

Bouton's status as a former star — he had won 39 games for the New York Yankees over the 1963 and 1964 seasons, plus two in the '64 World Series — helped plug the book initially, but sales took off like a screaming line drive after Bowie Kuhn, then baseball's commissioner, publicly castigated Bouton for doing a "grave disservice" to the game.

The crime, of course, was revealing ball players as they really were, rather than as faultless heroes worthy of blind worship.

Still unfazed by the virul of "Ball Four" wrought among baseball's establishment (including many players), full of typically nonshy opinions on the current baseball strike and flush from the recent publication of his first novel, Bouton, now in his mid-50s, appears to have taken to Life After Baseball with rare verve.

He tours the country giving motivational talks to Fortune 500 corporations, runs his own product-development company and, these days, spends the rest of his time

helping to build a new home not far from here, where he lives with his wife, Paula, a psychologist.

The furor over "Ball Four" resounds to this day because, of the now hundreds of ghostwritten books that bear a famous athlete's byline, few have been as frank, poignant or entertaining. The reason is that few other athletes have been willing to risk being ostracized to the extent that Bouton was.

"I can see how guys felt their privacy was invaded by 'Ball Four,'" Bouton says, reflecting on 25 years of notoriety. "And I probably would have felt the same way. But you also have to ask if anything was presented unfairly, untruthfully, harshly or in an overly embarrassing way, which I don't think it was."

"I was also accused of not holding anything back, but, believe me, I heard plenty of racial and anti-Semitic remarks that I never put in. And I never put anybody in bed with the wrong person."

Bouton says he hasn't lost any friends

that he really considered friends as a result of the book. And he's still a player's player as far as baseball owners and the current strike are concerned.

"The owners are wrong," he says. "And when they have to give in, it will be the most humiliating defeat of their lives. They're a bunch of multimillionaires who never had a care on their earnings, and now they want to put caps on other people. I'm embarrassed and ashamed for them. They don't want to live with the free-enterprise system when it applies to themselves."

Is Bouton bitter at today's player salaries, having been paid \$10,500 for the 1963 season in which he went 21-7?

"Not at all," he says. "I'm glad to see players getting their fair share of the money that baseball brings in."

His new book, "Strike Zone," co-written with Eliot Asinof, is the story of an aging knuckleballer (sound familiar?) who gets one last chance to start a big game. What he doesn't know is that the home plate

umpire has been coerced into fixing the game against him. It's an engaging read, despite being glutted with more than its share of clichés and contrived jock-speak.

What helps it, however, is the same thing that made "Ball Four" the book that it was, and still is: Bouton's willingness to bare the little-kid side of the male professional athlete's soul. He's still able to talk about what a huge ego trip it is, or was, to be a big-leaguer, and his confessed fantasies in which he is always the adored star player are standard American-male fare.

Indeed, it's Bouton's humanness that has made "Ball Four," in the words of the writer David Halberstam, "a book deep in the American vein, so deep that it is by no means a sports book."

Bouton still even leafs through "Ball Four" himself these days. "And I almost always laugh out loud. Not because I'm funny, but because the players are funny. People still ask me if I made all those stories up, and the answer, of course, is no. I can't write that well."

## Owners Pitch Deal to Players

By Mark Maske  
Washington Post Service

**WASHINGTON** — Major league baseball's team owners have given the striking players a proposal that includes a two-tiered payroll taxation system and adopts some of the cooperative-venture measures the union proposed in December.

The deadline established by President Bill Clinton for a settlement or something close to one appeared to have given the talks, the first in 40 days, a sense of urgency, according to spokesmen for each side.

The president has said that if there is not significant progress in negotiations by Monday, he may ask his special mediator, W.J. Usery, to recommend a settlement. Usery's proposal could become the basis for legislation that, if approved by Congress, would impose the terms on the owners and players.

The head of the players association, Donald Fehr, said union officials and players planned to spend Thursday reviewing the proposal. A full reply may not come until Friday.

"There was a recognition by both sides that there was significant pressure being applied now, and if we don't get something done, there will be more," Fehr said.

Management officials contend the proposal was a significant breakthrough because it no longer guarantees the owners the "cost certainty" they had been seeking throughout the long and bitter negotiations. The owners' previous taxation proposals — like the salary cap system they put into effect Dec. 23 — sought to limit the player compensation to 50 percent of designated industry revenues.

But, privately, some of those on the players' side said the proposal left them as pessimistic as ever that a deal could be struck soon.

The owner's new taxation proposal would be phased in over four years. After the four years, teams would be assessed a 75 percent tax on all money devoted to player compensation above a threshold of \$35 million. Clubs would be taxed at a rate of 100 percent on all funds spent on players above \$42 million.

The money derived from those taxes would be devoted to the players' pension and benefit plan, said John Harrington, general partner of the Boston Red Sox and the chairman of the owners' negotiating committee. Unlike the owners' previous tax proposals, only the overage, not the entire payroll, would be taxed.

In their proposal, which calls for a seven-year agreement, the owners also established new minimum salaries and included the joint "industry growth fund" that first was proposed by the players.

The owners said they had eliminated some of the noneconomic proposals that players had objected to in previous plans. For example, teams no longer would be permitted to release players for any reason at any time during the season.

Also during the day, the National Labor Relations Board said it would rule within two weeks on the unfair labor practice charges filed by both sides.

On Wednesday night, players and union officials gave a reception at Washington's train station attended by about 70 members of Congress. The union still is lobbying to have the owners' 73-year-old exemption from federal antitrust laws repealed or limited.

The union and its consultants bought 600 baseballs for the 50-some big-name players to sign for the politicians, their families and their staffs during the party.

"Usually, when you attend a function like this in Washington, you're the person getting all of the attention," Senator John S. McCain 3d of Arizona said. "But tonight, no one's even noticing us."

## Stockton Breaks Assist Mark

### Master of the Pass Is Relieved to Pass Magic

By Mark Heisler  
Los Angeles Times Service

**SALT LAKE CITY** — The halfcourt shot to the Mailman on the baseline, the shot, the record, the moment!

The cheers, the minicams, the ceremonies, the interviews ...

Oh, noooooo!

Had John Stockton known it was going to be so much trouble, he'd never have gotten this good. A man like Stockton, who does his own plumbing, isn't anxious to tell reporters about his leisure activities. A man like Stockton, who sneaks out side doors to avoid signing autographs on the way to the bus, certainly wouldn't do anything as stupid as breaking Magic Johnson's assist record in the National Basketball Association.

But that was what Stockton did with Wednesday night's 11th assist — a routine pass to Karl Malone posting up for a

fadeaway 15-footer — as the Utah Jazz buried the Denver Nuggets, 129-88.

Stockton had 12 assists by halftime, played only seven minutes after that and finished the night with 16, giving him 9,927 and, at long last, a little peace and quiet.

"It feels great to have it over with," he said at the postgame news conference, smiling pub-

licly for one of the few times this week. "I think when this meeting is over with, it'll be even greater."

As stars go, Stockton is an enigma — strong-willed, personable, but uncomfortable in the public eye. As a player, he is a marvel of efficiency.

There have been only eight 1,000-assist seasons in NBA history; Stockton has six. Isaiah

Thomas and Kevin Porter had the others.

Stockton started Wednesday night's game needing 10 to tie Johnson at 9,921. He had been knocking off big numbers for a week — 15 in Seattle, 14 against New Jersey, 14 against Minnesota — intent on ending the twin chase: Stockton pursuing Johnson, the media pursuing Stockton.

Wednesday, he got it over with.

Stockton had five assists before he took his first shot, a 17-footer, which he made.

No. 10, tying Johnson, was to Tom Chambers for an 18-foot jumper.

Moments later, Stockton passed the ball to Malone, posted up. Malone sank the 15-footer that put his little buddy in the books by himself.

"I'm glad it's over for Stock," Malone said. "When he's ornery, it kind of sits down through the team because he's our captain."

That's how John Stockton left Magic Johnson in his rearview mirror, in one corner of the record books, anyway. Whatever it means, Stockton's total is going higher.

"With his body and the way he plays," Johnson said a few days ago, "he's going to play for a long time. Nobody will break his records."

It's all downhill now. For Stockton, the first 9,922 were the hardest.

**SPURS 111, TRAIL BLAZERS 107:** David Robinson scored 34 points as San Antonio ran its winning streak to five with a victory in Portland.

**SUNS 118, LAKERS 109:** Danny Manning got 30 points and 10 rebounds, while Charles Barkley had 22 points and 15 rebounds, as the Suns beat the team that ended their franchise-record 23-game home winning streak Dec. 30.

(AP)



John Stockton, despite the Nuggets' Mahmoud Abdul-Rauf, got the pass to Karl Malone for assist 9,922.

## No. 1 UMass Defeats St. Joseph's, ITT Is Calling Off NBA, NHL Bets

The Associated Press

The lead for good, 34-33, on Roe's short bank shot. He made nine of 10 shots, scored 19 points and had five rebounds and three blocks.

**NO. 5 MARYLAND 71, NO. 15 VIRGINIA 62:** Joe Smith, the All-American sophomore center, had 29 points, 21 rebounds and 7 blocked shots — his 28th double-double in 50 college starts.

**NO. 24 OKLAHOMA 79, NO. 11 IOWA STATE 78:** Prince Fowler made two free throws with four seconds left to give the host Sooners a Big Eight victory after Iowa State rallied from a 15-point deficit in the second half.

Dion Barnes scored a career-high 22 points and John Onites had 12 assists for the Sooners, who handed Iowa State its second straight loss.

**NO. 20 ALABAMA 65, AUBURN 63:** Visiting Auburn's Lance Weems of Auburn got off a falling jumper that banked in, but the officials ruled that it came after the final buzzer in the Southeastern Conference game.

**LAS VEGAS** — Gamblers wanting to bet on NBA and NHL games will soon have to do so some place other than Caesars Palace and two other casinos operated by ITT Corp.

ITT said Wednesday it will stop taking bets on games involving the New York Rangers and New York Knicks of the NBA when its deal to buy the two teams and Madison Square Garden goes through, probably by next week.

The casinos will stop taking bets on all games in the two leagues "at the end of an unspecified transition period" under an agreement with the leagues that allows ITT to buy the teams. The transition period was believed to be the end of the current seasons.

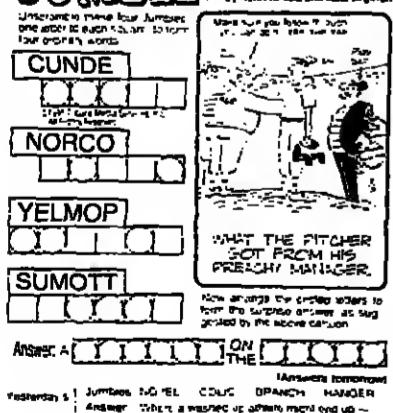
### DENNIS THE MENACE

#### PEANUTS



### JUMBLE

By Peter Arnett and Mike Argersinger  
International Herald Tribune



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#### THE FAR SIDE



#### BLONDIE



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JOHN C. WILSON



## OBSERVER

## Back to States' Rights

By Russell Baker  
NEW YORK — Somebody on the Brinkley show Sunday asked Governor Whitman of New Jersey about the Republican "revolution" and she looked uneasy with the word, but then went ahead and accepted it, hedging that, well, it was "in some sense" a "revolution."

It was one of the few reassuring public moments we've had from a Republican since the media and Washington succumbed to Noot madness.

No Republican worth the name can hear the word "revolution" without at least an interior shudder of revulsion. This, I fancied, accounted for that ever so brief pause by the elegant Whitman when she was asked to acknowledge that she was in league with Robespierre.

Noot himself, however, seems to like the "revolutionary" tag. He often manages to talk like one, using inflammatory excesses that make even his press claque wince. By talking of "zeroing out" programs, he has created a neologism for "liquidating" or "disappearing."

Revolutionary or not, there seems no stopping the Washington image projectionists. They have latched onto "revolution," and "revolution" it is going to be until the word loses its power to ratchet up excitement a notch or two.

In the past week some wordsmiths have been floating the word "revolutionary" as a kinder, gentler alternative to describe the Nootish philosophy. "Revolutionary" looks and sounds lumpy, lacks fire on the tongue and needs a professor to explain what it means. I predict it will fade in the second furlong. "Reactionary" would be a more accurate word for that part of the Republican Congress that is in love with "states' rights." Their passion for this discredited old doctrine reminds us how little

the American young people know their history.

And the House's new Republicans, whether "revolutionaries" or "devolutionaries" are majorly young, the great majority having first seen the light in the baby-boom years. To those who were parents in the baby-boom years the cry of "states' rights!" is a call not for revolution, but for the preservation of a Southern culture of apartheid.

That history explains why the states lost so much of their power to the Federal. "States' rights" came to mean George Wallace, Ross Barnett, Orval Faubus, Bull Connor, White Citizens' Councils, Ku Klux Klan dynamiters and other horrific enemies of what Everett Dirksen — a truly conservative Republican — called "a time whose idea has come."

People who know what "states' rights" meant just 35 years ago may admire the Republicans for taking up that threadbare old banner, but they also know it's not "revolutionary." The proper word is "reactionary." This eagerness to give states' rights a second chance is weird for people who don't believe in paroles.

In Washington the system of financing campaigns with PAC contributions, which is a form of legalized bribery, makes members of Congress relatively expensive commodities for the lobbyist who wants laws written his way. Giving federal power over big-money matters back to the states seems likely to raise the prices state legislators want for their votes.

I speak with mildly facetious cynicism, of course, for no serious person truly believes our state legislators can be purchased by malefactors of great wealth. Consider, for example, the splendid character of your own state legislator. You do know who he is, don't you? Ah... I see.

New York Times Service

## Hollywood: Contract With Newt?

By Katharine Q. Seelye  
New York Times Service

WASHINGTON — Speaker Newt Gingrich likes to talk about renewing civilization, but did he mean Hollywood, too?

Some in Hollywood think so. The movie moguls want to bring him out. Not to star in a picture, at least not yet. But to star at a gala dinner to give a lift to conservatives in Tinsel Town.

"Newt is a huge celebrity," said David Horowitz, an author and former lefty who turned right in the early 1980s and now promotes conservative views in Hollywood through his nonprofit Center for the Study of Popular Culture.

Horowitz dropped in on the speaker's press secretary the other day. Horowitz met Gingrich a few years ago, after Horowitz wrote a book called "Destructive Generation," a critical look at the 1960s. Gingrich read the book and invited him and his co-author, Peter Collier, to Washington for lunch. "In June, I want to bring Newt out to Hollywood," Horowitz told the press secretary, Tony Blankley, last Friday.

Horowitz said he wants Gingrich, Republican of Georgia, to be the star attraction at a dinner with Arnold Schwarzenegger, Kevin Costner, Delta Burke, Cheryl Ladd, Gerald McRaney, other actors and scores of "wheelers-dealers" whom Horowitz said he could not identify but nonetheless are eager to celebrate the Republican revolution on Capitol Hill.

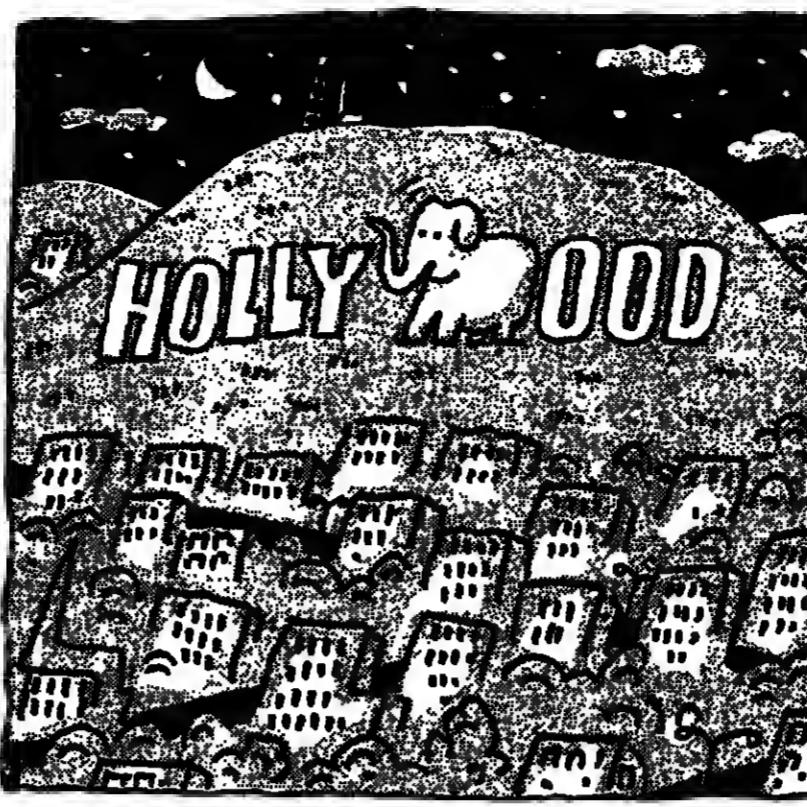
"Sounds fabulous," said Blankley. "Let's talk."

Blankley had no trouble adopting the mogul lingo, having grown up in Hollywood and worked as a child actor in such movies as "The Harder They Fall" with Humphrey Bogart.

"Hollywood is moving like crazy," Horowitz went on. "The liberals are all fed up with Clinton. Clinton is over. It's happening. We'll do Power Rangers. We'll have News. It's a way of saying, 'This is the new establishment, this is the new world.'"

As it happened, Schwarzenegger — in town to promote the Inner City Olympics for poor youths — dropped in on the speaker on Tuesday. He said he chatted with Gingrich, whom he called "our leader," about the program.

During a picture-taking session before the two went behind closed doors, Schwarzenegger was asked what fitness advice he might have for the speaker. He



Nicole Aszkenasy

said he was glad Gingrich was swimming every day. The speaker said that if he did not exercise he would soon be starring in a movie called "The Last Couch Potato."

"There were two radical movements in the '60s," Horowitz said in an interview after leaving Blankley's office. "One of them nobody ever writes about, and that's the one Gingrich came out of. Now, all those people are in charge of the House."

Horowitz sees the new speaker as the "breakthrough" personality who can "get the breakthrough" of nonpolitical people.

"It's exactly the reverse of when Jane Fonda committed treason and came back and won an Academy Award," he said, referring to her visit to Hanoi during the Vietnam War. "That was a very significant moment in Hollywood. It made it acceptable to be extreme left. That ushered in the era of the Oliver Stones."

"We want equal time," he continued. The Republican takeover of Congress and the elevation of Gingrich to the

speakership, he said, "is the breakthrough for a persecuted group of people who've been driven underground."

Horowitz was accompanied by Representative Dana Rohrabacher, Republican of California, one of two members of the House who are surfers, and later had lunch with Representative Christopher Cox, Republican of California.

Hollywood's interest in the speaker comes at a time when the speaker is demonstrating a strong interest in California, as does anyone with an eye on electoral politics. Gingrich has appointed a special California task force made up of Republican members of Congress from California.

"Politically, culturally and economically, California is pivotal to influencing the direction of the country as a whole," said Rohrabacher. "Newt wants to make sure he's not behind the curve. He's setting up his structure so he has input."

## PEOPLE

## Versace Wins Damages



Gianni Versace received a formal apology on Thursday and about \$100,000 (\$158,000) in legal damages and legal costs from the independent on Sunday newspaper in London. The apology and damages were shared with the designer's company; his brother Santo, the company president, and sister Donatella, the vice president. Versace had complained about an article published in October that made allegations about accounting information and the profitability of his London store.

Michael Jackson's newest album, with the working title "HIStory," was supposed to be in stores in November. Then it was pushed back to February, and now a spokeswoman for his record label, Epic, says it is scheduled for some time in the spring. Jackson has been working with rhythm and blues producers and songwriters, but they don't seem to know whether he will include their work on his album. Babyface, who wrote "Billie Jean," has a new album due in April. "HIStory," said, "When we're working, we never talk about whether the song's going to be on there or not."

Roman Vlad, a composer and music scholar, has been named artistic director of La Scala opera house in Milan. He had worked at La Scala as a consultant after the resignation of the previous artistic director, Alberto Zedda. Vlad, 76, has been superintendent of the Rome Opera and director of the Rome Philharmonic Academy.

Bruce Springsteen has completed his first album since 1992, "Bruce Springsteen Greatest Hits," to be released by Columbia on Feb. 28. The album features 14 of Springsteen's best-known songs, and four new songs that he recently recorded with the E Street Band, the first recordings Springsteen has made with the full band since 1984.

A yearlong celebration of what would have been the reggae star Bob Marley's 50th birthday

## WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather.



## Europe

	Today	High	Low	Wind	Tomorrow	High	Low	Wind
	Wind	Cloud	Pressure	Wind	Wind	Cloud	Pressure	Wind
Algarve	19.68	9.6	1002	W	21.70	12.63	10	W
Barbados	7.44	4.2	1002	E	8.42	4.79	10	E
Austria	14.57	4.09	101	S	15.65	7.44	10	S
Bulgaria	15.59	1.44	101	S	15.61	10.20	10	S
Croatia	7.44	2.95	1002	W	8.44	4.20	10	W
Denmark	5.41	1.24	101	S	6.48	1.21	10	S
Finland	10.65	8.44	101	S	11.64	12.63	10	S
France	12.53	2.05	101	S	13.54	8.43	10	S
Germany	8.44	0.82	101	S	9.44	12.63	10	S
Iceland	12.53	2.05	101	S	13.54	8.43	10	S
Ireland	8.44	1.04	101	S	9.44	3.27	10	S
Italy	12.53	2.05	101	S	13.54	8.43	10	S
Malta	12.53	2.05	101	S	13.54	8.43	10	S
Norway	12.53	2.05	101	S	13.54	8.43	10	S
Portugal	12.53	2.05	101	S	13.54	8.43	10	S
Spain	12.53	2.05	101	S	13.54	8.43	10	S
Slovenia	5.41	1.24	101	S	6.48	1.21	10	S
Switzerland	10.65	8.44	101	S	11.64	12.63	10	S
United Kingdom	12.53	2.05	101	S	13.54	8.43	10	S
United States	23.73	21.70	101	S	24.76	17.62	10	S

## Oceania

Legend: c=unny, pc=partly cloudy, b=body, sh=showers, h=humid, m=moderate, s=show, b=blizzard, s=slush, a=avanture, l=low, h=high.

All maps, forecasts and data provided by Accu-Weather, Inc., © 1995

## Asia

	Today	High	Low	Wind	Tomorrow	High	Low	Wind
	Wind	Cloud	Pressure	Wind	Wind	Cloud	Pressure	Wind
Bangkok	31.08	25.71	1002	W	32.08	26.71	10	W
Beijing	4.25	1.13	1002	S	5.32	7.00	10	S
Hong Kong	16.61	12.53	101	S	17.62	11.52	10	S
Macau	16.61	12.53	101	S	17.62	11.52	10	S
New Delhi	23.73	11.62	101	S	24.76	11.62	10	S
Seoul	1.04	9.16	101	S	2.12	9.16	10	S
Singapore	26.77	20.77	101	S	27.82	25.77	10	S
Taipei	17.62	11.62	101	S	18.62	10.62	10	S
Tokyo	11.52	9.16	101	S	12.53	11.52	10	S

## Latin America

	Today	High	Low	Wind	Tomorrow	High	Low	Wind
	Wind	Cloud	Pressure	Wind	Wind	Cloud	Pressure	Wind
Buenos Aires	29.94	18.64	101	S	30.94	17.62	10	S
Canada	29.94	18.64	101	S	30.94	17.62	10	S
Mexico City	22.71	18.64	101	S	23.71	18.64	10	S
Reykjavik	31.08	2						